FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(MARK ONE)

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934.
FOR THE FISCAL YEAR ENDED APRIL 30, 1994

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934.
FOR THE TRANSITION PERIOD FROM ____ TO _____

COMMISSION FILE NO. 1-7707
MEDTRONIC, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

MINNESOTA	41-0793183
(STATE OF INCORPORATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

7000 CENTRAL AVENUE N.E.
MINNEAPOLIS, MINNESOTA 55432
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)
TELEPHONE NUMBER: (612) 574-4000

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, PAR VALUE $.10 PER SHARE	NEW YORK STOCK EXCHANGE, INC.
PREFERRED STOCK PURCHASE RIGHTS	NEW YORK STOCK EXCHANGE, INC.

SECURITIES REGISTERED PURSUANT TO SECTION 1
NONE

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. YES _X_ NO ___

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF THE REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. (X)

AGGREGATE MARKET VALUE OF VOTING STOCK OF MEDTRONIC, INC. HELD BY NONAFFILIATES OF THE REGISTRANT AS OF JULY 8, 1994, BASED ON THE CLOSING PRICE OF $81.125 AS REPORTED ON THE NEW YORK STOCK EXCHANGE: $4.53 BILLION.

SHARES OF COMMON STOCK OUTSTANDING ON JULY 8, 1994: 57,559,109

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF REGISTRANT'S 1994 ANNUAL SHAREHOLDER REPORT ARE INCORPORATED BY REFERENCE INTO PARTS I, II AND IV; PORTIONS OF REGISTRANT'S PROXY STATEMENT FOR ITS 1994 ANNUAL MEETING ARE INCORPORATED BY REFERENCE INTO PART III.

PART I

ITEM 1. BUSINESS

GENERAL DEVELOPMENT OF BUSINESS.
Medtronic, Inc. (together with its subsidiaries, "Medtronic" or the

"company") was incorporated as a Minnesota corporation in 1957. Medtronic is the world's leading therapeutic medical device company, developing, manufacturing and marketing therapies for improved cardiovascular and neurological health. Primary products include implantable pacemaker systems used for treatment of bradycardia, implantable tachyarrhythmia management devices for treatment of ventricular arrhythmias, mechanical and tissue heart valves, balloon and guiding catheters used in angioplasty, implantable neurostimulation and drug delivery systems, and perfusion systems including blood oxygenators, centrifugal blood pumps, autotransfusion systems and cannula products. More than half of Medtronic's revenues are generated from the sale of implantable cardiac pacemaker systems for treatment of bradycardia ("brady pacemakers"). These systems consist of implantable pulse generators ("IPGs") and leads, which are the insulated wires that carry electrical impulses from the IPG to the heart.

In March 1994, Medtronic acquired substantially all assets and liabilities of DLP, Inc. for approximately $128.3 million in cash. DLP is the market leader in the development, manufacture, and sale of cannula products used in heart surgery. Other DLP products are used in marking and targeting suspected malignancies during diagnostic and interventional procedures. DLP will operate as part of the company's Cardiac Surgery business.

In April 1994, Medtronic acquired all of the outstanding common stock of Electromedics, Inc. for approximately $95.3 million. The purchase price consisted of approximately $39.1 million payable in cash and approximately 778,000 shares of common stock valued at $56.2 million. Electromedics designs, manufactures and markets blood management and blood conservation equipment for use in autotransfusion, or retransfusion of a patient's own blood, during major medical procedures. Electromedics will operate as part of the company's Cardiac Surgery business.

In April 1994, Medtronic also acquired all of the remaining outstanding common stock of Carbon Implants, Inc. Carbon Implants is an innovator in pyrolytic carbon coating processes and the design and manufacture of mechanical heart valves using these processes for enhanced durability and biocompatibility. The total purchase price was approximately $34.6 million in cash.

In July 1993, Medtronic sold substantially all the assets of its Medtronic Andover Medical, Inc. ("AMI") subsidiary. AMI manufactured electrodes, cables and related devices for the neurological and cardiovascular markets. Annual sales of AMI were approximately $23 million. Medtronic has now completed its recent strategy to divest businesses that do not directly support its core implantable and invasive medical technology businesses.

Medtronic operates in a single industry segment, that of providing products for medical applications. Its revenues, operating profits and assets for the past three fiscal years (1992-1994) have been attributable to this single industry segment.

BUSINESS NARRATIVE.
Medtronic generally has vertically integrated manufacturing operations, and makes its own lithium batteries, feedthroughs, integrated and hybrid circuits, and certain other components. Sales of pacemaker and tachyarrhythmia management products, such as IPGs, the implantable pacer/cardioverter/defibrillator ("PCD(R)") device, leads and instrumentation accounted for 67.2% of Medtronic's net sales during the fiscal year ended April 30, 1994 ("fiscal 1994"), 65.7% of net sales in fiscal 1993 and 66.1% of net sales in fiscal 1992.

Medtronic produces various models of brady pacemakers and leads. These include pacemakers which can be noninvasively programmed by the physician to adjust sensing, electrical pulse intensity, duration, rate, and other characteristics, as well as pacemakers which can sense in both the upper and lower chambers of the heart and produce impulses to cause upper or lower chamber contractions, or both, in appropriate relation to heart activity. Medtronic produces LEGEND II(R) and ELITE II(R) pacemakers, which are rate variable in response to patient activity levels. LEGEND II(R) and ELITE II(R) models currently account for a substantial portion of Medtronic's U.S. and international single chamber and dual chamber pacemaker product sales, respectively. The Thera(R) pacing system, consisting of a new line of pulse generators, a new specialized lead and a new model 9790 programmer which can be used with all brady pacing products

as well as the Jewel(tm) family of PCD(R) devices, was commercially released outside the U.S. in March 1994, and the pulse generators are in clinical evaluation in the U.S. In addition to the "Medtronic" line of pacemakers, the company also produces a separate line of IPGs and leads under the brand name "Vitatron."

The Pacing business also produces the PCD(R), an implantable device for treating ventricular tachyarrhythmias using a tiered therapy of pacing, cardioversion and defibrillation. In December 1993, the Transvene(R) lead system was commercially introduced in the U.S. This transvenous lead system allows the PCD(R) device to be implanted without a thoracotomy, thereby reducing patient trauma and hospitalization time. Medtronic's Transvene(R) leads and the PCD(R) comprise the first complete transvenous, tiered therapy system to be cleared by the FDA in the United States.

The next generation of tachyarrhythmia devices is the Jewel(TM) family, which is designed to be implanted in the chest rather than the abdomen. The Jewel(TM) PCD(R) implantable defibrillator, which allows shorter implant procedures and reduced hospital stays, was commercially released outside the U.S. in December 1993 and has been in clinical evaluation in the U.S. since September 1993.

Medtronic's products, other than brady pacing and tachyarrhythmia management products, accounted for the following percentages of its net sales in fiscal 1994: other cardiovascular products, which include heart valves, oxygenators, blood pumps, angioplasty catheters and other related cardiovascular products, 23.6% (22.9% for fiscal 1993 and 21.4% for fiscal 1992); and neurological and other businesses, which include implantable neurostimulation devices, drug administration systems, and venture-related products, 9.2% (11.4% for fiscal 1993 and 12.5% for fiscal 1992). The decrease in percentage of revenue contributed by neurological and other businesses is due to divested product lines during fiscal 1993 and 1994.

GOVERNMENT REGULATION.
The industry segment in which Medtronic competes involves development, production and sales of medical devices. In the United States, the FDA, among other governmental agencies, is responsible for regulating the introduction of new medical devices, laboratory and manufacturing practices, and labeling and recordkeeping for medical devices, as well as for reviewing manufacturers' required reports of adverse experience to identify potential problems with marketed medical devices. The FDA can ban certain medical devices, detain or seize adulterated or misbranded medical devices and order repair, replacement, or refund, and require notification of health professionals and others with regard to medical devices that present unreasonable risks of substantial harm to the public health. The FDA may also enjoin and restrain certain violations of the Food, Drug and Cosmetic Act and the Safe Medical Devices Act pertaining to medical devices, or initiate action for criminal prosecution of such violations. Many of the devices that Medtronic develops and markets are in a category for which the FDA has implemented stringent clinical investigation and premarket clearance requirements. Moreover, the FDA administers certain controls over the export of such devices from the United States.

The number of medical devices approved by the FDA for commercial release has decreased significantly in recent years due to more rigorous clinical evaluation requirements, increased enforcement actions, and enactment of the Safe Medical Devices Act of 1990, which reflect a trend toward more stringent product regulation by the FDA. Rigorous regulatory action may be taken in response to deficiencies noted in inspections or to any product performance problems. The risks in the United States of lengthened introduction times for new products and additional expense have increased substantially. In addition, the requirements for post-market surveillance and device tracking under the Safe Medical Devices Act will continue to increase the expense of the regulatory process.

Medical device laws are also in effect in many of the countries in which Medtronic does business outside the United States. These range from comprehensive device approval requirements for some or all of Medtronic's medical device products to requests for product data or certifications. The number and scope of these requirements is increasing. This trend toward increasing product regulation is evident in the European Economic Community, where efforts are underway to harmonize the regulatory systems.

President Clinton's administration has introduced a health care reform bill that would cause significant changes in health care delivery.

Congress is currently considering this bill and others, and it is generally expected that Congress will pass a health care reform bill in some form which could affect health care expenditures in the United States. Similar initiatives to limit the growth of health care costs, including price regulation, are also underway in several other countries in which the company does business. These changes are causing the marketplace to place increased emphasis on the delivery of more cost-effective medical therapies. Although the company believes it is well positioned to respond to changes resulting from health care reform, the uncertainty as to the outcome of any proposed legislation or change in the marketplace precludes the company from predicting the impact such reform may have on future operating results.

The U.S. Health Care Financing Agency, which determines Medicare reimbursement policy and practice, appears to be changing its practice of reimbursing hospitals for procedures involving medical devices in clinical evaluation. Such a change in practice is causing some hospitals to treat Medicare patients only with medical devices that have been cleared for commercial release by the FDA. This action will probably limit the scope of clinical trials in the U.S., force more clinical research to non-U.S. markets and increase the cost and time required to complete clinical evaluations in the U.S.

Medtronic is also subject to various environmental laws and regulations both in the United States and abroad. The operations of the company, like those of other medical device companies, involve the use of substances regulated under environmental laws, primarily in manufacturing and sterilization processes. In addition, many of these substances contain chlorofluorocarbons which, under federal law, must be phased out in the mid-1990s. Medtronic believes that alternatives are available and plans to eliminate the use of chlorofluorocarbons in compliance with such requirements. While it is difficult to quantify the potential impact of compliance with environmental protection laws, management believes that such compliance will not have a material impact on the company's financial position.

SALES, MARKETS AND DISTRIBUTION METHODS.
The primary markets for Medtronic's products are hospitals, other medical institutions and physicians, both in the United States and abroad. No one customer individually accounts for a material amount of Medtronic's total sales.

Medtronic sells most of its products and services directly through its staff of trained, full-time sales representatives. Sales by these representatives accounted for approximately 94.5% of Medtronic's U.S. sales and approximately 61.7% of its sales from other countries in fiscal 1994. The remaining sales were made through independent distributors. Medtronic maintains inventories of its high volume sales products in various locations in the United States and in the rest of the world.

NEW PRODUCTS.
New products recently introduced by Medtronic include, in part, the following: (i) the Thera(TM) pacing system, consisting of a new line of pulse generators, a new specialized lead and a new 9790 programmer which can be used with all brady pacing products as well as the Jewel(TM) family of PCD(R) devices, was commercially released outside the U.S. in March 1994, and the pulse generators are in clinical evaluation in the U.S.; (ii) the Premier(TM) pacing system, consisting of a single chamber pacemaker and steroid-eluting lead in one package, began clinical trials in non-U.S. markets in November 1993; (iii) the Legend Plus(TM) dual sensor, single chamber pacemaker was commercially released in selected non-U.S. markets in April 1994; (iv) the Diamond(TM) dual chamber, dual sensor pacemaker was commercially released in Europe in January 1994 under the "Vitatron" brand name; (v) the Saphir(TM), a single-lead, atrial tracking pacemaker, was commercially released in Europe in May 1994 under the "Vitatron" brand name; (vi) the CapSure(R) Z steroid-eluting lead began clinical evaluation in Europe in October 1993; (vii) the Jewel(TM) PCD(R) implantable defibrillator, whose smaller size permits the device to be implanted in the chest rather than the abdomen, was commercially released outside the U.S. in December 1993 and has been in clinical evaluation in the U.S. since September 1993; (viii) the Jewel(TM) PCD(R) with the Active Can(TM) technology, which features a single tripolar transvenous lead that simplifies implantation, began clinical evaluation in non-U.S. markets in November 1993 and in the U.S. in April 1994; (ix) the Atakr(R) RF Ablation System, the world's first battery-operated radio

frequency ablation system designed to automatically maintain temperature control, has been granted "expedited review" status by the FDA; (x) the Spirit(TM) balloon catheter for coronary angioplasty, offering superior control and maneuverability, was cleared for commercial release by the FDA in August 1993; (xi) the long-balloon version of the Gold Xchange(TM) rapid-exchange catheter for PTCA was commercially released outside the U.S. in 1993, while a new long-balloon model of the 14K(R) over-the-wire catheter was released worldwide in 1993, with both models permitting treatment of long arterial lesions that otherwise would require repositioning and repeat inflation with shorter balloons; (xii) the Panther(TM) PTCA balloon catheter, which offers superior flexibility, strength and angioscopic visualization, was cleared for commercial release in the U.S. in November 1993; (xiii) the Ascent(TM) guiding catheter, with a stiffer shaft for maximum balloon support, a larger lumen to increase visualization and compatibility with a wide range of balloons and adjunctive interventional devices, was cleared for commercial release in the U.S. in February 1994; (xiv) the Sculptor(TM) annuloplasty ring, which is used in repairing the heart's natural valves to improve control of blood flow and circulation, was commercially released in the U.S. in June 1993; (xv) the Hancock(R) M.O. II porcine tissue valve, a bioprosthetic heart valve that offers significant advantages in hemodynamics and durability for the older patient, was cleared for commercial release in the U.S. in December 1993; (xvi) the Mosaic(TM) porcine tissue valve, designed to combine the best features of earlier Medtronic tissue valves and serve each patient longer, began non-U.S. clinical evaluations in February 1994; (xvii) the Parallel(TM) bileaflet mechanical heart valve, made with an innovative pyrolytic carbon coating process to offer excellent biocompatibility and mechanical durability, began clinical evaluations in Europe in May 1994; (xviii) the Hall(TM) collagen impregnated aortic valved conduit, which reduces potential surgical complications by eliminating the need for preclotting prior to surgery, was cleared for commercial release in the U.S. in May 1994; and (xix) the Maxima Plus(TM) membrane oxygenator received clearance for commercial release in the U.S. in February 1994.

RAW MATERIALS AND PRODUCTION.

Medtronic purchases many of the parts and materials used in manufacturing its products from external suppliers and internally manufactures certain of its product components. Medtronic's single- and sole-sourced materials include medical adhesives and resins, certain integrated circuits, power sources, switches, sensors, crystals, polyurethane, silicone rubber, certain electrolytic capacitors, pyrolytic carbon discs, Lioresal(R)* (baclofen, USP) Intrathecal, computer and other peripheral equipment, cable connector assemblies, MP-35N wire, and drawn-brazed stranded wire. Medtronic believes that its suppliers of polyurethane and medical adhesive are the sole U. S. suppliers of such materials. The other noted parts and materials are purchased from single sources for reasons of quality assurance and cost effectiveness. Medtronic works closely with its suppliers to assure continuity of supply while maintaining high quality and reliability. However, the medical device industry was recently advised that, in an effort to reduce potential product liability exposure, certain suppliers have terminated or are planning to terminate sales of certain materials and parts to customers that manufacture implantable medical devices. Medtronic believes that various design, material or supplier alternatives can be found for these materials and components without a significant interruption in production.

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* Registered trademark of CIBA-GEIGY Corporation.

PATENTS AND LICENSES.

Medtronic owns patents on certain of its inventions, and obtains licenses from others as it deems necessary to its business. Medtronic's policy is to obtain patents on its inventions whenever practical. Technological advancement has been characteristically rapid in the industry in which Medtronic competes, and Medtronic does not consider its business to be materially dependent upon any individual patent.

COMPETITION AND INDUSTRY.

Medtronic sells therapeutic medical devices in the United States and throughout the world. In the businesses in which Medtronic competes, the company faces a mixture of competitors ranging from large multi-national industrial manufacturers to diversified pharmaceutical companies, as well as regional or national manufacturers that offer a limited number of products. Important factors to Medtronic's customers include product reliability and performance, product technology that provides for improved

patient benefits, product price, and related product services provided by the manufacturer. Major shifts in industry market shares have occurred in connection with product problems, physician advisories and safety alerts, reflecting the importance and risks of product quality in the medical device industry.

Medtronic is the leading manufacturer and supplier of brady pacemakers in both the U.S. and non-U.S. markets. Worldwide, approximately ten manufacturers compete in the pacemaker industry. In the U.S., Medtronic and four other manufacturers account for a significant portion of pacemaker sales. Medtronic and five other manufacturers account for most of the non-U.S. pacemaker sales.

In the tachyarrhythmia management device market, Medtronic and two other manufacturers based in the U.S. account for most sales of implantable defibrillators within and outside the U.S. Medtronic and one of these other manufacturers has a transvenous lead system cleared for commercial sale in the U.S. Medtronic's PCD(R) device is commercially available with the company's Transvene(TM) leads in U.S. and non-U.S. markets. Five other companies have devices in various stages of development and clinical evaluation.

In the angioplasty device market, including balloon and guiding catheters used in coronary artery procedures, there are numerous competitors worldwide. Four competitors based in the United States account for a significant portion of sales of angioplasty devices both in the United States and abroad.

Medtronic is the second largest manufacturer and supplier of tissue heart valves and also of mechanical heart valves within and outside the U.S. Another large manufacturer and distributor of hospital products and services is the major competitor in tissue heart valves and another company is the major competitor in mechanical heart valves. These two companies and Medtronic are the primary manufacturers and suppliers of heart valves within the U.S. These three companies plus a few competitors outside the U.S. account for most of the non-U.S. heart valve sales.

In the blood oxygenator market, there are approximately seven companies that account for a significant portion of the U. S. and non-U.S. markets. Medtronic believes it is the largest manufacturer and supplier of blood oxygenators worldwide. Medtronic is the leading manufacturer of centrifugal blood pumps worldwide.

Medtronic recently entered the cannula market with the acquisition of DLP, Inc., the market leader in cannula products. See "General Development of Business" above. Medtronic and four competitors account for a significant portion of cannulae sales in the U.S.

Medtronic recently entered the autotransfusion market with the acquisition of Electromedics, Inc. See "General Development of Business" above. Medtronic and three competitors account for a significant portion of autotransfusion sales in both U.S. and non-U.S. markets.

In neurological devices, Medtronic is the leading manufacturer and supplier of implantable neurostimulation systems. There are a few competitors worldwide. Medtronic and one competitor account for most worldwide sales of implantable drug delivery systems.

Market complexity has been intensifying in the medical device industry in recent years. Factors such as relative patent portfolios, government regulation, including the regulatory approval process for medical devices, a more rigorous enforcement climate at the FDA, anticipated significant health care reform, government reimbursement systems for health care costs, product liability litigation and the rapid rate of technological change are increasingly important considerations for existing medical device manufacturers and any potential entrants to the industry.

RESEARCH AND DEVELOPMENT.
Medtronic spent $156.3 million on research and development (11.2% of net sales) in fiscal 1994, $133.0 million (10.0% of net sales) in fiscal 1993 and $109.2 million (9.3% of net sales) in fiscal 1992. Such amounts have been applied toward improving existing products, expanding their applications, and developing new products. Medtronic's present research and development projects span such areas as sensing and treatment of cardiovascular disorders (including bradycardia and tachyarrhythmia, fibrillation, and sinus node abnormalities); improved heart valves,

membrane oxygenators and centrifugal blood pump systems; implantable drug delivery systems for pain and other neurological applications; muscle and neurological stimulators; therapeutic catheters; coronary stents and treatments for restenosis; implantable physiologic sensors; cardiac assist systems (cardiomyoplasty) and other applications of transformed muscle; and materials and coatings to enhance blood and device interface.

Medtronic has not engaged in significant customer or government sponsored research.

EMPLOYEES.
On April 30, 1994, Medtronic and its subsidiaries employed 8,709 persons on a regular, full-time basis and, including temporary and part-time employees, a total of 9,856 employees on a full-time equivalent basis.

U.S. AND NON-U.S. OPERATIONS AND EXPORT SALES.
Medtronic sells products in the following markets: United States, Canada, Latin America, Europe, Middle East, Africa, Japan and other Asia/Pacific. For financial reporting purposes, the revenues, profitability, and identifiable assets attributable to significant geographic areas are presented in Note 14 to the consolidated financial statements, incorporated herein by reference to Medtronic's 1994 Annual Shareholder Report on page 51. U.S. export sales to unaffiliated customers comprised less than one percent of Medtronic's consolidated sales in each of fiscal 1994, 1993 and 1992.

Operation in countries outside the U.S. is accompanied by certain financial and other risks. Relationships with customers and effective terms of sale frequently vary by country, often with longer-term receivables than are typical in the U.S. Inventory management is an important business concern due to the potential for rapidly changing business conditions and currency exposure. Currency exchange rate fluctuations can affect income from, and profitability of, non-U.S. operations. Medtronic attempts to hedge these exposures to reduce the effects on net earnings of foreign currency fluctuations. Certain countries also limit or regulate the repatriation of earnings to the United States. Non-U.S. operations in general present complex tax and money management questions requiring sophisticated analysis and precise execution of strategy to meet the company's financial objectives.

EXECUTIVE OFFICERS OF MEDTRONIC

Set forth below are the names and ages of current executive officers of Medtronic, Inc., as well as information regarding their positions with Medtronic, Inc., their periods of service in these capacities, and their business experience for the past five or more years. Executive officers generally serve terms of office of approximately one year. There are no family relationships between any of the officers named, nor is there any arrangement or understanding pursuant to which any person was selected as an officer.

WILLIAM W. GEORGE, age 51, has been President and Chief Executive Officer since May 1991, was President and Chief Operating Officer from March 1989 to April 1991, and has been a director since March 1989. Prior to joining the company, Mr. George was President, Space and Aviation Systems Business, at Honeywell Inc. from December 1987 to March 1989. During his 11 years with Honeywell, Mr. George served in several other executive positions including President, Industrial Automation and Control, from May 1987 to December 1987; and Executive Vice President of that business from January 1983 to May 1987.

GLEN D. NELSON, M.D., age 57, has been Vice Chairman since July 1988, and has been a director since 1980. From September 1986 to July 1988, he was Executive Vice President of the company. Dr. Nelson was Chairman and Chief Executive Officer of American MedCenters, Inc., an HMO management corporation, from July 1984 to August 1986.

ARTHUR D. COLLINS, JR., age 46, has been Chief Operating Officer since January 1994. From June 1992 to January 1994, Mr. Collins was Executive Vice President and President of Medtronic International. Prior to joining the company, Mr. Collins was Corporate Vice President, Diagnostic Medical Products, at Abbott Laboratories from October 1989 to May 1992 and Divisional Vice President, Diagnostic Medical Products, from May 1984 to October 1989. Mr. Collins held various other management positions at Abbott Laboratories in the United States and Europe from March 1978 to May 1984. Prior to joining Abbott Laboratories, Mr. Collins was a consultant with Booz, Allen &

Hamilton.

BOBBY I. GRIFFIN, age 57, has been Executive Vice President since July 1988, and President, Pacing, since March 1991. From September 1985 to July 1988, Mr. Griffin was Vice President of the Pacing Business Unit.

BILL K. ERICKSON, age 50, has been Senior Vice President and President, Americas, since January 1994. From May 1992 to January 1994, Mr. Erickson was Senior Vice President and President, U.S. Cardiovascular Sales and Marketing Division. Mr. Erickson was Senior Vice President, U.S. Cardiovascular Division, from January 1990 to May 1992 and was Vice President, U.S. Cardiovascular Distribution, from January 1982 to December 1989.

RONALD E. LUND, age 59, has been Senior Vice President and General Counsel since November 1990, and Secretary since July 1992, and was Vice President and General Counsel from February 1989 to November 1990. Prior to joining the company, Mr. Lund held various legal and management positions during his 28 years of employment with The Pillsbury Company, which included serving as Vice President and Associate General Counsel from 1984 to February 1989.

ROBERT L. RYAN, age 51, has been Senior Vice President and Chief Financial Officer since April 1993. Prior to joining the company, Mr. Ryan was Vice President, Finance, and Chief Financial Officer of Union Texas Petroleum Corp. from May 1984 to April 1993, Controller from May 1983 to May 1984, and Treasurer from March 1982 to May 1983. Prior to that, Mr. Ryan held several managerial positions at Citibank and McKinsey & Company.

JANET S. FIOLA, age 52, has been Senior Vice President, Human Resources since March 1994. She was Vice President, Human Resources, from February 1993 to March 1994, and was Vice President, Human Resources Development, from February 1988 to February 1993.

WILLARD H. LEWIS, age 62, has been Senior Vice President and President, Cardiac Surgery, since March 1994 and was Vice President and President, Cardiac Surgery, from March 1991 to March 1994. He was Vice President from January 1989 to March 1994 and General Manager, Vascular Business/Cardiopulmonary, from January 1989 to March 1991. Mr. Lewis was a consultant in medical business management from January 1986 to December 1988, which included responsibility for the operations of the company's Cardiopulmonary Business from October 1987 to December 1988. Prior to that, Mr. Lewis held various positions with Bentley Laboratories, including President from July 1978 to January 1986.

JOHN A. MESLOW, age 55, has been Senior Vice President and President, Neurological Business, since March 1994. He was Vice President and President, Neurological Business, from March 1991 to March 1994, and was Vice President, Neurological Division, from March 1985 to March 1991.

ITEM 2. PROPERTIES

Medtronic's principal offices are owned by the company and located in the Minneapolis, Minnesota metropolitan area. Manufacturing or research facilities are located in Arizona, California, Colorado, Massachusetts, Michigan, Minnesota, Texas, Puerto Rico, Canada, France, Germany, Italy, the Netherlands and Japan. Approximately 81% of total manufacturing and research space (approximately 1,382,943 square feet) is owned by the company, and the balance is leased.

Medtronic also maintains sales and administrative offices inside the United States at 48 locations in 27 states and outside the United States at 87 locations in 20 countries. Most of these locations are leased.

Medtronic is utilizing substantially all of its currently available productive space to develop, manufacture and market its products. The company's facilities are in good operating condition, suitable for their respective uses and adequate for current needs.

ITEM 3. LEGAL PROCEEDINGS

Notes 11 and 12 to the consolidated financial statements appearing on page 50 of Medtronic's 1994 Annual Shareholder Report are incorporated herein by reference.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

PART II

ITEM 5. MARKET FOR MEDTRONIC'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The information in the sections entitled "Price Range of Medtronic Stock" and "Investor Information" on page 53 of Medtronic's 1994 Annual Shareholder Report is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA
The information for the years 1984 through 1994 on page 52 of Medtronic's 1994 Annual Shareholder Report is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
The information on pages 35 through 39 of Medtronic's 1994 Annual Shareholder Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
The consolidated financial statements, together with the report thereon of independent accountants dated May 23, 1994, appearing on pages 40 through 51 of Medtronic's 1994 Annual Shareholder Report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE
Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF MEDTRONIC

The information on pages 1 through 6 of Medtronic's Proxy Statement for its 1994 Annual Shareholders' Meeting and on page 10 of such Proxy Statement regarding Section 16(a) requirements is incorporated herein by reference. See also "Executive Officers of Medtronic" on pages 6 and 7 hereof.

ITEM 11. EXECUTIVE COMPENSATION
The sections entitled "Election of Directors -- Director Compensation" and "Executive Compensation" on pages 7 through 9 and 14 through 19, respectively, of Medtronic's Proxy Statement for its 1994 Annual Shareholders' Meeting are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT
"Shareholdings of Certain Owners and Management" on pages 9 and 10 of Medtronic's Proxy Statement for its 1994 Annual Shareholders' Meeting is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS
The information on pages 8 and 9 of Medtronic's Proxy Statement for its 1994 Annual Shareholders' Meeting, concerning services provided to the company by the Chairman of the Board and the Founder of the company in fiscal 1994, is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. FINANCIAL STATEMENTS

Report of Independent Accountants (incorporated herein by reference to page 40 of Medtronic's 1994 Annual Shareholder Report)

Statement of Consolidated Earnings -- years ended April 30, 1994, 1993, and 1992 (incorporated herein by reference to page 41 of Medtronic's 1994 Annual Shareholder Report)

Consolidated Balance Sheet -- April 30, 1994 and 1993 (incorporated herein by reference to page 42 of Medtronic's 1994 Annual

Statement of Consolidated Cash Flow -- years ended April 30, 1994, 1993, and 1992 (incorporated herein by reference to page 43 of Medtronic's 1994 Annual Shareholder Report)

Notes to Consolidated Financial Statements (incorporated herein by reference to pages 44 through 51 of Medtronic's 1994 Annual Shareholder Report)

2. FINANCIAL STATEMENT SCHEDULES

V Property, Plant, and Equipment -- years ended April 30, 1994, 1993, and 1992

VI Accumulated Depreciation of Property, Plant, and Equipment -- years ended April 30, 1994, 1993, and 1992

VIII Valuation and Qualifying Accounts -- years ended April 30, 1994, 1993, and 1992

IX Short-term Borrowings -- years ended April 30, 1994, 1993, and 1992

X Supplementary Income Statement Information -- years ended April 30, 1994, 1993, and 1992

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

3. Exhibits

3.1	Medtronic Restated Articles of Incorporation, as amended to date (Exhibit 3.1).(f)
3.2	Medtronic Bylaws, as amended to date (Exhibit 3.2).(e)
4	Form of Rights Agreement dated as of June 27, 1991 between Medtronic and Norwest Bank Minnesota, National Association, including as Exhibit A thereto the form of Preferred Stock Purchase Right Certificate, incorporated by reference to Exhibit (1) of Medtronic's Form 8-A Registration Statement dated June 27, 1991 and filed with the Securities and Exchange Commission on June 28, 1991.
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*10.2	Management Incentive Plan (Appendix B).(a)
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21	List of Subsidiaries.
23	Consent and Report of Price Waterhouse (set forth on page 12 of this report).
24	Powers of Attorney.

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(g) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1989, filed with the Commission under cover of Form SE dated July 20, 1989.

*Items that are management contracts or compensatory plans or arrangements required to be filed as an exhibit pursuant to Item 14(c) of Form 10-K.

(b) REPORTS ON FORM 8-K

No reports on Form 8-K were filed by Medtronic during the quarter ended April 30, 1994.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.
MEDTRONIC, INC.
Dated: July 25, 1994

BY: /S/ WILLIAM W. GEORGE
WILLIAM W. GEORGE
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.
Dated: July 25, 1994

BY: /S/ WILLIAM W. GEORGE
WILLIAM W. GEORGE
PRESIDENT AND
CHIEF EXECUTIVE OFFICER
Dated: July 25, 1994

BY: /S/ ROBERT L. RYAN
ROBERT L. RYAN
SENIOR VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER
(PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER)

EARL E. BAKKEN
F. CALEB BLODGETT
WILLIAM W. GEORGE
ANTONIO M. GOTTO, JR., M.D.
BERNADINE P. HEALY, M.D.
VERNON H. HEATH
THOMAS E. HOLLORAN
EDITH W. MARTIN, PH.D. DIRECTORS
GLEN D. NELSON, M.D.
RICHARD L. SCHALL
JACK W. SCHULER
GERALD W. SIMONSON
GORDON M. SPRENGER
RICHARD W. SWALIN, PH.D.
WINSTON R. WALLIN

Ronald E. Lund, by signing his name hereto, does hereby sign this document on behalf of each of the above named directors of the Registrant pursuant to powers of attorney duly executed by such persons.

Dated: July 25, 1994

BY: /S/ RONALD E. LUND
RONALD E. LUND
ATTORNEY-IN-FACT

REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULES

To the Board of Directors of Medtronic, Inc.

Our audits of the consolidated financial statements referred to in our report dated May 23, 1994 appearing on page 40 of the 1994 Annual Shareholder Report of Medtronic, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14(a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/S/ PRICE WATERHOUSE

PRICE WATERHOUSE
Minneapolis, Minnesota
May 23, 1994

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in each Prospectus constituting part of the Registration Statements on Form S-8 (Registration Nos. 2-65157, 2-68408, 33-169, 33-36552, 2-65156, 33-24212, 33-37529, and 33-44230) and Form S-4 (Registration No. 33-52751) of Medtronic, Inc. of our report dated May 23, 1994 appearing on page 40 of the 1994 Annual Shareholder Report which is incorporated by reference in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules as shown above.

/S/ PRICE WATERHOUSE

PRICE WATERHOUSE
Minneapolis, Minnesota
July 25, 1994

MEDTRONIC, INC. AND SUBSIDIARIES
SCHEDULE V -- PROPERTY, PLANT, AND EQUIPMENT(B)
(IN THOUSANDS OF DOLLARS)

CLASSIFICATION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST(c)	RETIREMENTS OR SALES(d)	OTHER CHANGES DEBIT (CREDIT)	BALANCE AT END OF PERIOD
YEAR ENDED APRIL 30, 1994					
Land and land improvements	$ 15,261	$ 1,198	$ --	$ 8 (a) 157	$ 16,624
Buildings and leasehold improvements	148,639	16,280	3,133	4,458 (a) (423)	165,821
Equipment	366,854	37,354	23,652	23,989 (a) 4,505	409,050
Construction in progress	19,696	31,174	3,271	(28,454)(a) (696)	18,449
	$550,450	$86,006	$30,056	$ 3,544	$609,944
YEAR ENDED APRIL 30, 1993					
Land and land improvements	$ 14,093	$ 75	$ 20	$ 667 (a) 446	$ 15,261
Buildings and leasehold improvements	132,176	5,616	4,891	14,421 (a) 1,317	148,639
Equipment	327,942	39,026	33,245	30,474 (a) 2,657	366,854
Construction in Progress	23,388	42,720	178	(45,562)(a) (672)	19,696
	$497,599	$87,437	$38,334	$ 3,748	$550,450
YEAR ENDED APRIL 30, 1992					

Land and land improvements	$ 12,753	$ 807	$ --	$ 500 (a) 33	$ 14,093
Buildings and leasehold improvements	120,489	5,428	1,651	7,441 (a) 469	132,176
Equipment	272,402	43,018	21,339	28,974 (a) 4,887	327,942
Construction in Progress	20,317	33,981	--	(36,915)(a) 6,005	23,388
	$425,961	$83,234	$22,990	$ 11,394	$497,599

(a) Completed and transferred to other categories.

(b) Depreciation is provided using the straight-line method over the following estimated useful lives:
Land improvements -- 10 to 20 years
Buildings -- 10 to 40 years
Equipment -- 3 to 8 years.

(c) Includes assets associated with the acquisitions of DLP, Electromedics and Carbon Implants in fiscal 1994.

(d) Includes sales of assets of the Andover Medical, Inc. division in fiscal 1994 and CardioCare and Nortech divisions in fiscal 1993.

MEDTRONIC, INC. AND SUBSIDIARIES
SCHEDULE VI -- ACCUMULATED DEPRECIATION OF PROPERTY, PLANT, AND EQUIPMENT
(IN THOUSANDS OF DOLLARS)

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	RETIREMENTS OR SALES(a)	OTHER CHANGES (DEBIT) CREDIT	BALANCE AT END OF PERIOD
YEAR ENDED APRIL 30, 1994					
Land Improvements	$ 1,635	$ 181	$ --	$ 9	$ 1,825
Buildings and Leasehold Improvements	52,298	7,644	1,880	(310)	57,752
Equipment	213,734	55,143	19,678	(681)	248,518
	$267,667	$62,968	$21,558	$(982)	$308,095
YEAR ENDED APRIL 30, 1993					
Land Improvements	$ 1,419	$ 193	$ --	$ 23	$ 1,635
Buildings And Leasehold Improvements	48,562	7,251	3,871	356	52,298
Equipment	190,863	47,274	25,984	1,581	213,734
	$240,844	$54,718	$29,855	$1,960	$267,667
YEAR ENDED APRIL 30, 1992					
Land Improvements	$ 1,300	$ 113	$ --	$ 6	$ 1,419
Buildings And Leasehold Improvements	42,427	6,527	1,294	902	48,562
Equipment	165,061	43,043	19,032	1,791	190,863
	$208,788	$49,683	$20,326	$2,699	$240,844

(a) Includes sales of the assets of Andover Medical, Inc. in fiscal 1994 and CardioCare and Nortech in fiscal 1993.

MEDTRONIC, INC. AND SUBSIDIARIES
SCHEDULE VIII -- VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS OF DOLLARS)

OTHER

	BALANCE AT BEGINING OF PEROD	CHARGES/ (CREDITS) TO EARNINGS	CHANGES (DEBIT) CREDIT	BALANCE AT END OF PERIOD
Allowance For Doubtful Accounts:				
Year Ended 4/30/94	$ 9,456	$13,185	$(2,902)(a)	$20,123
			384	
Year Ended 4/30/93	17,229	9,404	(5,050)(a)	9,456
			(4,608)(b)	
			(7,015)(c)	
			(504)	
Year Ended 4/30/92	12,584	11,027	(7,215)(a)	17,229
			833	
Accrued Warranty and Product Liability(d):				
Year Ended 4/30/94	$15,326	$ 8,645	$(3,844)(e)	$20,127
Year Ended 4/30/93	15,544	4,667	(4,885)(e)	15,326
Year Ended 4/30/92	10,684	6,860	(2,000)(e)	15,544

(a) Uncollectible accounts written off, less recoveries.

(b) Reflects the sale of all assets of the CardioCare division.

(c) Reflects reclassification of assets retained in the sale of the Nortech division.

(d) Includes both current and noncurrent amounts.

(e) Claims settled, less reimbursement by insurance carrier.

SCHEDULE IX -- SHORT-TERM BORROWINGS
(IN THOUSANDS OF DOLLARS)

CATEGORY OF AGGREGATE SHORT-TERM BORROWINGS	BALANCE AT END OF PERIOD	WEIGHTED AVERAGE INTEREST RATE	MAXIMUM AMOUNT OUTSTANDING AT ANY MONTH-END	AVERAGE AMOUNT OUTSTANDING (BASED ON MONTH-END BALANCES)	WEIGHTED AVERAGE INTEREST RATE
YEAR ENDED APRIL 30, 1994					
Bank Borrowings	$57,495	5.1%	$57,495	$37,596	8.3%
YEAR ENDED APRIL 30, 1993					
Bank Borrowings	86,644	5.3%	88,589	58,725	10.9%
YEAR ENDED APRIL 30, 1992					
Bank Borrowings	79,848	9.9%	91,175	82,024	11.8%

SCHEDULE X -- SUPPLEMENTARY INCOME STATEMENT INFORMATION
(IN THOUSANDS OF DOLLARS)

	YEARS ENDED APRIL 30, 1994	1993	1992
Amortization of intangible assets	$12,919	$11,094(a)	$ 7,515
Taxes, other than payroll and income Taxes	7,444	6,799	5,248
Advertising expense	5,912	7,914	7,955
Royalty expense	6,560	6,645	5,161
Maintenance and repairs expense	14,773	15,071	14,243

(a) Does not include $18,000 of accelerated intangible assets amortization, a significant portion of which related to the Nortech division.
UC9401963-EN

Commission File Number: 1-7707

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

EXHIBITS

TO

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13

OF

THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED APRIL 30, 1994

LOGO

MEDTRONIC, INC.
7000 CENTRAL AVENUE N.E.
MINNEAPOLIS, MINNESOTA 55432
TELEPHONE: 612/574-4000

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EXHIBIT NUMBER 10.9

DIRECTORS' RETIREMENT PLAN, AS AMENDED

Exhibit 10.9

Amendment Effective October 1, 1993
to the Medtronic, Inc.
Directors' Retirement Plan

The Board of Directors of Medtronic, Inc. at a meeting held June 24, 1993, amended the Medtronic, Inc. Directors' Retirement Plan, effective October 1, 1993, to replace Section 2(c) in its entirety with the following:

2(c) Notwithstanding any contrary provisions of this Section 2, the maximum Payment Period for retirement benefits provided by this Plan shall be 20 years.

EXHIBIT NUMBER 10.12

CONSULTING AGREEMENT EFFECTIVE SEPTEMBER 1, 1993
WITH WINSTON R. WALLIN

Exhibit 10.12

June 21, 1993

Winston R. Wallin
7022 Tupa Circle
Edina, MN 55435

CONSULTING AGREEMENT

We are pleased with your willingness to continue to work with Medtronic, Inc., hereinafter referred to as "Medtronic," as a consultant in the areas specified in this Consulting Agreement. This letter will define a contractual relationship between you and Medtronic. Our Agreement is as follows:

I. DUTIES

A. As a consultant you will:

1. Represent the company at official company functions, both in the United States and at international locations, and at major medical meetings.

2. In conjunction with management, formulate the company's public affairs strategy and policy position:

a. Meet with U.S. Senators and Congressmen regarding medical device legislation and health care cost issues;

b. Work with senior administrators of the Food and Drug Administration regarding its policies and practices which affect Medtronic;

c. Meet with U.S. Government officials regarding public policy issues affecting Medtronic such as reimbursement, health care costs, regulation, and international trade issues.

3. Be available, at management request, to meet with, or talk to, senior executives of other health care corporations on issues of particular importance to Medtronic.

4. Consult with management on a regular basis, (and be available as needed), on the progress of Medtronic's business and on issues of concern to management.

5. Be available to take on additional assignments as requested by Medtronic management.

B. Your duties under this Agreement shall be directed on behalf of Medtronic by William George, the Chief Executive Officer, either directly or through other corporate officers designated by William George.

II. COMPENSATION

A. For your services, Medtronic will pay you Eight Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($8,333.33) each month that this Agreement is in effect.

B. Medtronic will also reimburse you for reasonable travel, entertainment and other expenses incurred at Medtronic's request in carrying out your duties under this Agreement. Reasonable travel expenses will include first class air travel. Reimbursement will be made within thirty (30) days of the receipt from you of an itemized expense report.

C. In addition, Medtronic will provide you with the following as set forth in Medtronic's Perquisite program during the term of this Agreement:

1. Financial Planning/Tax Preparation Services;

2. Payment of your club membership fees to the following clubs: Minneapolis Club and Minikahda Club; and

3. Auto insurance premiums for the car you use primarily for business, and related auto expenses incurred for business purposes.

4. Annual Physical

D. The compensation under this Agreement is in addition to the compensation and benefits you will receive as an Outside Director on Medtronic's Board of Directors and as a retiree of Medtronic.

III. OFFICE/SUPPORT

During the term of this Agreement, Medtronic will provide you with an office of approximately 400 square feet in the Lincoln Center, Minneapolis, Minnesota. Utilities and parking will be provided. Medtronic will also provide to you the services of a secretary employed by Medtronic for approximately one-half of the usual work week.

IV. CONFIDENTIALITY

A. Any information acquired by you from Medtronic concerning existing or contemplated products, services, processes, techniques, know-how or data identified as confidential to Medtronic and any information, data, devices and results developed in the course of providing your consulting services (herein referred to as "Confidential Information") are or shall be the property of Medtronic and shall be maintained in confidence and not used by you except as necessary to perform the duties set forth in this Agreement without written consent of Medtronic or until the expiration of five (5) years from the date of expiration or cancellation of this Agreement.

B. You may, at your discretion, publish materials relating to your performance of services for Medtronic under this Agreement. However, should you contemplate publishing, you shall provide copies of any abstracts, papers or manuscripts to Medtronic for review and approval within a reasonable period prior to submittal for publication or presentation. Medtronic shall limit its review to a determination of whether Confidential Information is disclosed and shall not attempt to censor or in any way interfere with your presentation or conclusions beyond the extent necessary to protect Medtronic Confidential Information or to allow Medtronic to protect its rights in patentable or copyrightable material. You agree not to publish Confidential Information without Medtronic's written approval.

V. IDEAS/ASSIGNMENT

During the term of this Agreement it is contemplated that you may generate ideas, inventions, improvements or suggestions whether or not patentable (hereinafter referred to as "Ideas") derived directly from your consultation under this Agreement.

You agree to disclose and assign to Medtronic in a form satisfactory to its Chief Patent Counsel any Ideas whether made alone or in conjunction with others.

You agree to render assistance as Medtronic may require to perfect such assignments and to publish, patent or protect such Ideas in any Patent Office or in litigation for the duration of this Agreement and thereafter for reasonable compensation based on your then prevailing hourly consulting charges following termination or expiration of this Agreement.

Your ideas, inventions, improvements or suggestions which are not derived directly from work under this Agreement remain your property. You will not disclose these to Medtronic unless you have established a separate written agreement with Medtronic.

VI. MISCELLANEOUS

The following additional Medtronic standard terms and conditions for consulting agreements also apply to this Agreement:

A. It is agreed that you will furnish services under this Agreement as an independent contractor and not as an employee of Medtronic.

B. This Agreement represents the only agreement relating to this subject matter between you and Medtronic.

C. Except as explicitly stated elsewhere in this Agreement, you may not incur any liability on Medtronic's behalf or bind Medtronic to any contractual or payment obligation without the prior express written authorization of Medtronic.

D. This Agreement shall be construed and interpreted under and in accordance with the laws of the State of Minnesota, United States of America.

E. No modifications to this Agreement can be made except in writing, signed by you and Medtronic.

VII. DURATION OF AGREEMENT

This consulting relationship shall begin on September 1, 1993 and terminate on December 31, 1993. This relationship shall terminate automatically without a notice requirement at the end of the stated period.

If this Agreement is acceptable to you, please sign and date the enclosed copy of the Agreement and return same to me.

Sincerely,

MEDTRONIC, INC.

By /s/ David A. Ness Date 7/14/93
David A. Ness
Title Vice President, Compensation, Benefits and HRIS

ACCEPTED:

I have read the terms and conditions of the Agreement expressed above and hereby render my acceptance thereof on my behalf or on behalf of my organization as indicated.

WINSTON R. WALLIN

/s/ Winston R. Wallin Date 7/29/93
Winston R. Wallin

CORP/WALLIN2.lmh.6/21/93

EXHIBIT NUMBER 11

COMPUTATION OF EARNINGS PER SHARE

EXHIBIT 11

STATEMENT RE COMPUTATION OF
PER SHARE EARNINGS

MEDTRONIC, INC.
(Unaudited)
(in thousands)

Years ended April 30,	1994	1993	1992
PRIMARY			
Shares oustanding:			
Weighted average outstanding	57,404	59,416	59,606
Share equivalents (1)(2)	435	689	918
Adjusted shares outstanding (2)	57,839	60,105	60,524
FULLY DILUTED			
Shares outstanding:			
Weighted average outstanding	57,404	59,416	59,606
Share equivalents (1)(2)	560	770	927
Adjusted shares outstanding (2)	57,964	60,186	60,533
Net earnings before cumulative effect of accounting changes	$232,357	$211,584	$161,541
Net earnings	232,357	197,228	161,541

(1) Share equivalents consist primarily of nonqualified stock options.

(2) This calculation is submitted in accordance with Regulation S-K item 601(b)(11) although not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because it results in dilution of less than 3%.

NOTE: Throughout this annual report, references to years, when used alone, refer to fiscal years ended April 30.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUMMARY

Medtronic is the world's leading therapeutic medical technology company, developing, manufacturing, and marketing therapies for improving cardiovascular and neurological health. Primary products include implantable pacemaker systems used for the treatment of bradycardia, implantable tachyarrhythmia management systems, mechanical and tissue heart valves, balloon and guiding catheters used in angioplasty, implantable neurostimulation and drug delivery systems, and perfusion systems including blood oxygenators, centrifugal blood pumps, autotransfusion systems, and cannula products.

Significant events during the company's fiscal year included several new product introductions and three acquisitions. In December 1993, the United States Food and Drug Administration (FDA) cleared the company's Transvene lead system for use with the Medtronic implantable pacer/cardioverter/defibrillator (PCD) device. In March 1994, two devices in the new Jewel PCD product line were commercially released outside the United States as was the company's Thera line of bradycardia pacemaker systems. The company strengthened its cardiac surgery business product line with the March acquisition of DLP, Inc., a manufacturer of cannula and interventional radiology products, and the April acquisitions of Electromedics, Inc. and Carbon Implants, Inc. Electromedics designs, manufactures, and markets blood conservation equipment for use in autotransfusion during major medical procedures. Carbon Implants is an innovator in the design and manufacturing of implantable prosthetic heart valves.

Operating results for 1994 are highlighted by the ninth consecutive year of growth in net sales ($1.4 billion), net earnings ($232.4 million), and earnings per share ($4.05). Net sales in 1994 increased 11.3% over the prior year on a comparable operations basis (i.e., after adjusting for the effects of acquisitions and divestitures discussed in Note 2 to the consolidated financial statements and foreign currency translations), compared to increases of 13.0% in 1993 and 13.6% in 1992. The increase in net sales results from another year of strong growth in all three of the company's businesses: pacing, other cardiovascular, and neurological and other. Net earnings increased 17.8% in 1994, compared with increases of 22.1% in 1993 and 21.1% in 1992. Earnings per share increased 22.0% in 1994, compared with increases of 22.5% in 1993 and 20.4% in 1992.

NET SALES

The following is a summary of sales by business as a percentage of total net sales:

Years ended April 30,	1994	1993	1992
Pacing	67.2%	65.7%	66.1%
Other Cardiovascular	23.6	22.9	21.4
Neurological & Other	9.2	11.4	12.5
Total Medtronic	100.0%	100.0%	100.0%

Net sales of the pacing business, consisting mainly of bradycardia pacing and tachyarrhythmia management, increased 12.0% over the prior year on a comparable operations basis. Sales of both tachyarrhythmia management and bradycardia devices grew significantly in 1994. Sales growth within the tachyarrhythmia management business was attributable to the U.S. commercial release of the PCD device in February 1993 and U.S. commercial release of the Transvene lead system in December 1993. The FDA approval of the Transvene lead system established the company's PCD system as the first tiered-therapy transvenous tachyarrhythmia system cleared for implant in the United States. The new, smaller Jewel PCD devices, commercially released in markets outside the United States in December 1993 and in clinical evaluation in the United States, also contributed to tachyarrhythmia revenue growth. Bradycardia pacing net sales surpassed the rate

of market growth led by the Elite II dual-chamber rate responsive pacemaker, market released in the United States in December 1992, and the company's broad line of CapSure leads.

Also contributing to the bradycardia sales growth was the Thera pacemaker system, consisting of a family of six new pacemakers, a specialized new lead, and a new programmer, which was commercially released in Europe in March 1994.

Net sales of the other cardiovascular business, consisting of cardiopulmonary, heart valves, and interventional vascular, increased 8.4% on a comparable operations basis in 1994. The interventional vascular business reported strong double digit sales growth stemming from an increase in worldwide unit sales of the 14K and Spirit over-the-wire balloon catheters and Gold Xchange rapid-exchange catheter. The overall increase in unit growth was slightly offset by declining average selling prices. The decrease in selling prices was the result of increasing price competition and it is anticipated that further erosion of selling prices will continue into 1995. Within the cardiopulmonary and heart valves businesses, centrifugal blood pumps and bioprosthetic tissue valves contributed solid revenue growth. A moderation in the growth rate of open heart surgeries slowed the overall sales growth of the heart valves and cardiopulmonary businesses. With the recent acquisitions of DLP, Inc., Electromedics, Inc., and Carbon Implants, Inc., management believes the company is well positioned for future growth in the cardiac surgery market.

On a comparable operations basis, net sales of the neurological and other businesses, primarily consisting of implantable neurostimulation devices, drug administration systems, and components, grew 14.5% over the previous year. These results reflect strong growth in sales of the implantable SynchroMed infusion system, which received clearance from the FDA in August 1992 for use with Lioresal(R) Intrathecal for the treatment of chronic spasticity and morphine for malignant pain. In February 1994, the U.S. Health Care Financing Administration authorized Medicare reimbursement for use of the SynchroMed system in treatment of these indications. The neurological and other businesses sales have decreased as a percentage of total sales in 1994 because of the divestitures of certain product lines within this business.

As part of its overall growth strategy, the company is continuing to pursue opportunities that address unmet patient needs in areas where there is synergy with current businesses. Currently, these opportunities include, among others, treatment of congestive heart failure and voiding dysfunctions. Net sales of products from venture-related activities, included in the neurological and other business, were not material in each of the three years ended 1994.

In 1994, U.S. sales increased 10.9%, excluding the effects of acquisitions and divestitures. Sales outside the United States increased 11.9% on a comparable operations basis. Sales in non-U.S. markets accounted for 42.5% of worldwide net sales, compared with 42.0% in 1993 and 40.6% in 1992. However, the impact of foreign currency fluctuations on net sales affects comparisons between years. Net sales growth in 1994 was affected by $30.8 million of unfavorable foreign exchange rate movements caused by the U.S. dollar strengthening against major foreign currencies. Conversely, comparing 1993 to 1992, net sales were increased by $22.0 million from the effect of the U.S. dollar weakening against major foreign currencies. When adjusted for the impact of foreign exchange fluctuations to the respective prior year, net sales in non-U.S. markets as a percent of worldwide net sales were 43.7% in 1994, 41.0% in 1993, and 41.5% in 1992. The impact of foreign currency fluctuations on net earnings is significantly less than the impact on sales due to the offsetting foreign currency impact on costs and expenses and the company's hedging activities.

COSTS AND EXPENSES

The following is a summary of major costs and expenses as a percentage of net sales:

Years ended April 30,	1994	1993	1992
Cost of Products Sold	31.0%	31.6%	32.4%
Research & Development	11.2	10.0	9.3
Selling, General & Administrative	33.8	36.1	37.4

The improvement in cost of goods sold as a percentage of net sales in 1994 was primarily the result of the divestitures of lower margin product lines, productivity increases, and effective cost controls. The efficiencies of higher production levels were evident in most businesses, especially for tachyarrhythmia management, drug administration system devices, and interventional vascular products. Future gross margins will be impacted by regulatory and competitive pricing pressures, recently acquired product lines, new product introductions, the mix of products both within and between businesses, productivity fluctuations, and the effects of foreign currency fluctuations.

The increase in research and development (R&D) expense reflects the company's strategy and commitment to invest significant resources to increase revenue and market share by developing technological enhancements and new indications for existing products as well as developing new technologies to address unmet patient needs. R&D expense increased 17.6% to $156.3 million in 1994 from $133.0 million in 1993.

The decline in selling, general, and administrative expense (SG&A) in 1994 was caused by the divestitures in 1993 and 1994, effective spending controls, and increased royalty income. SG&A expense in 1994 was also affected by $14.3 million of charges which primarily relate to the impact of adoption of a new accounting principle and a provision for potentially uncollectible trade and other receivables.

Interest expense was $8.2 million in 1994, compared with $10.4 million in 1993 and $13.4 million in 1992. Interest income was $8.4 million in 1994, compared with $8.8 million in 1993 and $10.3 million in 1992. Interest income and interest expense in 1994 are lower than in 1993 primarily due to the redemption of Industrial Development Serial Revenue Bonds early in 1994 and lower interest rates paid on bank borrowings and earned on investments.

In July 1993, the company sold substantially all of the assets of its Andover Medical, Inc., subsidiary for $21.0 million, recognizing a pretax gain of $14.0 million. Andover Medical developed, manufactured, and marketed external electrodes used primarily with electrical nerve stimulation and neuromuscular stimulation devices.

INCOME TAXES

The effective income tax rate in 1994 was 33.0%, compared with 32.5% in 1993, and 33.5% in 1992. The increase in 1994 was primarily the result of an increase in the U.S. income tax rate. The decrease in 1993 was primarily the result of adopting Statement of Financial Accounting Standards No. (SFAS) 109, "Accounting for Income Taxes," and lower income taxes in certain non-U.S. locations.

Federal tax legislation has been passed which increases the U.S. corporate income tax rate, retroactively reinstates the research tax credit, and beginning in 1995, limits U.S. tax benefits from operations in Puerto Rico. The increase in the federal tax rate and Puerto Rico benefit limitations will put upward pressure on the company's effective tax rate. However, the impact of these factors on the effective tax rate in future years will be primarily dependent upon the level of operating activity in Puerto Rico and level of research activities. Accordingly, the company cannot determine the impact the tax legislation will have on future operating results. For further discussion, see Note 8 to the consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

SUMMARY

At April 30, 1994, cash and cash equivalents were $108.7 million and short-term investments were $72.7 million, compared with $77.0 million and $79.0 million at April 30, 1993, respectively. The company continued to maintain a high level of working capital, the excess of current assets over current liabilities, at $406.4 million at April 30, 1994, compared with $426.6 million at April 30, 1993. The current ratio at April 30, 1994, was 1.9:1, compared with 2.2:1 and 2.3:1 at April 30, 1993 and 1992, respectively. The decrease in working capital and current ratio is primarily due to an increase in current liabilities resulting from acquisitions near year-end and the timing of estimated income tax

payments. The company's net cash position, defined as the sum of cash, cash equivalents, and short-term investments less short-term borrowings and long-term debt was $103.0 million at April 30, 1994, compared to $53.3 million and 21.2 million at April 30, 1993 and 1992, respectively.

CASH FLOW

Cash provided by operating activities was $356.9 million, compared with $291.5 million in 1993 and $151.4 million in 1992. The company's cash position was favorably impacted by the timing of income tax payments, ongoing royalty income, and decreases in prepaid expenses and other current assets offset by increases in accounts receivable and inventories.

During 1994, the cash portion of the purchase price paid for the acquisitions of DLP, Electromedics, Inc., Carbon Implants, Inc., and CardioRhythm, was approximately $189.4 million. For further details, see Note 2 to the consolidated financial statements. In addition to acquisitions, significant items affecting cash flows during 1994 included repurchases of the company's common stock and additions to property, plant, and equipment (PP&E). The cost of stock repurchases in 1994 were $53.4 million, compared to $142.9 million and $38.3 million in 1993 and 1992, respectively. Additions to PP&E, net of retirements and additions associated with newly acquired entities, were $60.8 million in 1994, compared with $77.1 million in 1993 and $77.2 million in 1992. The company expects growth in capital spending to support increased manufacturing capacity and operational requirements. This spending will be financed primarily by funds from operations.

DEBT AND CAPITAL

During 1993, the Board of Directors authorized the company to repurchase an additional 3.0 million shares of its common stock, of which authorization to repurchase approximately 1.5 million shares remained at April 30, 1994. Approximately 860,000 shares were repurchased in 1994 at a cost of $53.4 million (average price, $62.16 per share), financed in part by short-term borrowings. The company repurchased shares in 1994 to offset dilution resulting from the issuance of stock under employee benefit plans and to take advantage of market conditions. Future repurchases of common stock will depend upon market conditions, the company's cash position, and other factors. In April 1994, approximately 778,000 shares of common stock were issued for the acquisition of Electromedics. For further details, see Note 2 to the consolidated financial statements.

Dividends to shareholders were $39.0 million, $33.3 million, and $29.3 million in 1994, 1993, and 1992, respectively. Consistent with the company's financial objectives, the company expects to continue paying dividends at a rate of approximately 20% of the previous year's net earnings.

The company's capital structure consists of equity and interest-bearing debt. The company utilizes long-term debt minimally. Interest-bearing debt as a percent of total capital was 6.9% at April 30, 1994, compared with 10.9% and 10.1% at April 30, 1993 and 1992, respectively. These ratios are well within the company's financial objective of maintaining a debt-to-total capital ratio not exceeding 30%.

Return on equity (ROE), which compares net earnings to average shareholders' equity, is a key measure of management's ability to utilize the shareholders' investment in the company effectively. Achieving ROE of at least 20% per year, one of the company's financial objectives, was again exceeded in 1994. The company continued its strong performance with ROE of 24.5% in 1994, compared with 24.1% in 1993 and 21.8% in 1992.

GOVERNMENT REGULATION AND OTHER MATTERS

President Clinton's Administration has introduced a health care reform bill that would cause significant changes in health care delivery. Congress is currently considering this bill and others, and it is generally expected that Congress will pass a health care reform bill in some form which could affect health care expenditures in the United States. Similar initiatives to limit the growth of

health care costs, including price regulation, are also underway in several other countries in which the company does business. These changes are causing the marketplace to place increased emphasis on the delivery of more cost-effective medical therapies. Although the company believes it is well positioned to respond to changes resulting from health care reform, the uncertainty as to the outcome of any proposed legislation or change in the marketplace precludes the company from predicting the impact such reform may have on future operating results.

The number of medical devices approved by the FDA for commercial release has decreased significantly in recent years due to more rigorous clinical evaluation requirements, increased enforcement actions, and the enactment of the Safe Medical Devices Act of 1990, which reflect a trend toward more stringent product regulation by the FDA. Rigorous regulatory action may be taken in response to deficiencies noted in inspections or to any product performance problems. The risks in the United States of lengthened introduction times for new products and additional expense have increased substantially. In addition, the requirements for post-market surveillance and device tracking under the Safe Medical Devices Act continue to increase the expense of the regulatory process.

The U.S. Health Care Financing Agency, which determines Medicare reimbursement policy and practice, appears to be changing its practice of reimbursing hospitals for procedures involving medical devices in clinical evaluation. Such a change in practice is causing some hospitals to treat Medicare patients only with medical devices that have been cleared for commercial release by the FDA. This action will probably limit the scope of clinical trials in the United States, force more clinical research to non-U.S. markets, and increase the cost and time required to complete clinical evaluations in the United States.

The operations of the company, like those of other medical device companies, involve the use of substances regulated under environmental laws, primarily in manufacturing and sterilization processes. In addition, many of these substances contain chlorofluorocarbons which, under federal law, must be phased out in the mid-1990s. Medtronic believes that alternatives are available and plans to eliminate the use of chlorofluorocarbons in compliance with such requirements. While it is difficult to quantify the potential impact of compliance with environmental protection laws, management believes that such compliance will not have a material impact on the company's financial position.

The company operates in an industry susceptible to significant product liability claims. Product liability claims may be asserted against the company in the future relative to events not known to management at the present time. The company has insurance coverage which management believes is adequate to protect against any material product liability losses.

REPORT OF MANAGEMENT

The management of Medtronic, Inc., is responsible for the integrity of the financial information presented in the annual report. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles. Where necessary, they reflect estimates based on management's judgment.

Management relies upon established accounting procedures and related systems of internal control for meeting its responsibilities to maintain reliable financial records. These systems are designed to provide reasonable assurance that assets are safeguarded and that transactions are properly recorded and executed in accordance with management's intentions. Internal auditors periodically review the accounting and control systems, and these systems are revised if and when weaknesses or deficiencies are found.

The Audit Committee of the Board of Directors, composed of directors from outside the company, meets regularly with management, the company's internal auditors, and its independent accountants to discuss audit scope and results, internal control evaluations, and other accounting, reporting, and financial matters. The independent accountants and internal auditors have access to the Audit Committee without management's presence.

/S/ William W. George
William W. George
President and Chief Executive Officer

/S/ Arthur D. Collins, Jr.
Arthur D. Collins, Jr.
Chief Operating Officer

/S/ Robert L. Ryan
Robert L. Ryan
Senior Vice President and Chief Financial Officer

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and
Board of Directors of Medtronic, Inc.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of earnings and of cash flows present fairly, in all material respects, the financial position of Medtronic, Inc., and its subsidiaries at April 30, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended April 30, 1994, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/S/ Price Waterhouse
Price Waterhouse
Minneapolis, Minnesota
May 23, 1994

STATEMENT OF CONSOLIDATED EARNINGS

(in thousands of dollars, except per share data) Years ended April 30,	Medtronic, Inc. 1994	1993	1992
NET SALES	$ 1,390,922	$ 1,328,208	$ 1,176,912
COSTS AND EXPENSES:			
Cost of products sold	431,668	420,132	381,779
Research and development expense	156,314	132,955	109,181
Selling, general, and administrative expense	470,266	480,006	439,908
Interest expense	8,208	10,448	13,437
Interest income	(8,373)	(8,791)	(10,311)
Gain on sale of subsidiary	(13,962)	--	--
Litigation settlement	--	(50,000)	--
Intangible asset amortization	--	18,000	--
Foundation commitment	--	12,000	--
TOTAL COSTS AND EXPENSES	1,044,121	1,014,750	933,994
EARNINGS BEFORE INCOME TAXES	346,801	313,458	242,918
PROVISION FOR INCOME TAXES	114,444	101,874	81,377
NET EARNINGS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	232,357	211,584	161,541
CUMULATIVE EFFECT OF ACCOUNTING CHANGES:			
Postretirement benefits (net of deferred taxes of $5,674)	--	(9,256)	--
Income Taxes	--	(5,100)	--
NET EARNINGS	$ 232,357	$ 197,228	$ 161,541
WEIGHTED AVERAGE SHARES OUTSTANDING	57,404	59,416	59,606
Earnings per Share:			
Earnings before cumulative effect of accounting change	$ 4.05	$ 3.56	$ 2.71
Cumulative effect of accounting changes	--	(0.24)	--
NET EARNINGS PER SHARE	$ 4.05	$ 3.32	$ 2.71

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEET

(in thousands of dollars) April 30,	Medtronic, Inc. 1994	1993
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 108,720	$ 76,994
Short-term investments	72,694	78,984
Accounts receivable, less allowance for doubtful accounts of $20,123 and $9,456	340,927	331,248
Inventories:		
Finished goods	102,163	90,046
Work in process	50,751	45,658
Raw materials	60,384	53,362
Total Inventories	213,298	189,066
Prepaid income taxes	79,809	68,404
Prepaid expenses and other current assets	30,409	36,022
TOTAL CURRENT ASSETS	845,857	780,718
PROPERTY, PLANT, AND EQUIPMENT:		
Land and land improvements	16,624	15,261
Buildings and leasehold improvements	165,822	148,639
Equipment	409,050	366,854
Construction in progress	18,449	19,696
	609,945	550,450
Accumulated depreciation	(308,160)	(267,667)
Net Property, Plant, and Equipment	301,785	282,783
GOODWILL, net of accumulated amortization of $27,842 and $21,160	279,514	109,575
OTHER INTANGIBLE ASSETS, net of accumulated amortization of $21,042 and $17,974	87,724	29,983
OTHER ASSETS	108,372	89,421
TOTAL ASSETS	$ 1,623,252	$ 1,292,480
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term borrowings	$ 58,173	$ 91,864
Accounts payable--trade	32,673	25,429
Accounts payable--other	68,492	56,747
Acquisition price payable	39,130	--
Accrued compensation	53,537	49,154
Accrued income taxes	104,894	63,414
Other accrued expenses	82,545	67,518
TOTAL CURRENT LIABILITIES	439,444	354,126
LONG-TERM DEBT	20,232	10,851
DEFERRED INCOME TAXES	15,915	5,012
OTHER LONG-TERM LIABILITIES	94,169	81,013
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Preferred stock--par value $1.00; 2,500,000 shares authorized, none outstanding		
Common stock--par value $.10; 200,000,000 shares authorized, 58,128,714 and 57,819,736 shares issued and outstanding	5,813	5,782
Retained earnings	1,089,681	870,303
Cumulative translation adjustments	(9,702)	(1,057)
	1,085,792	875,028
Receivable from Employee Stock Ownership Plan	(32,300)	(33,550)
TOTAL SHAREHOLDERS' EQUITY	1,053,492	841,478
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,623,252	$ 1,292,480

See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED CASH FLOW

(in thousands of dollars) Years ended April 30,	Medtronic, Inc. 1994	1993	1992
OPERATING ACTIVITIES			
Net earnings	$ 232,357	$ 197,228	$ 161,541
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	78,577	69,625	59,358
Gain on sale of subsidiary, net of tax	(9,424)	--	--
Deferred income taxes	(3,150)	(11,141)	(11,789)
Foreign currency transaction loss	7,511	8,115	5,766
Changes in operating assets and liabilities excluding effects of acquisitions and divestiture:			
Increase in accounts receivable	(8,635)	(8,736)	(29,727)
Increase in inventories	(8,087)	(14,660)	(42,725)
Decrease (increase) in prepaid expenses and other assets	8,954	(29,043)	(19,795)
Increase in accounts payable and accrued liabilities	10,626	22,664	5,810
Increase in accrued income taxes	37,653	3,697	19,602
Increase in deferred income	400	20,450	96
Increase in postretirement benefit accrual	2,156	16,623	--
Increase in other long-term liabilities	7,918	16,689	3,233
NET CASH PROVIDED BY OPERATING ACTIVITIES	356,856	291,511	151,370
INVESTING ACTIVITIES			
Additions to property, plant, and equipment	(60,799)	(77,077)	(77,189)
Acquisitions, net of cash acquired	(189,440)	(18,668)	--
Proceeds from sale of subsidiary	21,000	--	--
Repayment from Employee Stock Ownership Plan	1,250	2,400	2,050
Sales of marketable securities	92,985	12,133	27,522
Purchases of marketable securities	(109,346)	(72,616)	(24,402)
Other investing activities	(13,713)	(8,958)	(6,230)
NET CASH USED IN INVESTING ACTIVITIES	(258,063)	(162,786)	(78,249)
FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	(28,285)	591	(10,750)
(Decrease) increase in long-term debt	(8,199)	5,618	140
Increase in acquisition price payable	45,630	--	--
Dividends to shareholders	(38,985)	(33,337)	(29,339)
Repurchase of common stock	(53,423)	(142,919)	(38,299)
Issuance of common stock	16,339	17,408	17,103
NET CASH USED IN FINANCING ACTIVITIES	(66,923)	(152,639)	(61,145)
Effect of exchange rate changes on cash and cash equivalents	(144)	92	(7)
NET CHANGE IN CASH AND CASH EQUIVALENTS	31,726	(23,822)	11,969

Cash and cash equivalents at beginning of year	76,994	100,816	88,847
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 108,720	$ 76,994	$ 100,816
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid during the year for:			
Income taxes	$ 73,858	$ 110,864	$ 69,390
Interest	8,346	10,769	13,537

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars, except per share data) Medtronic, Inc.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Medtronic, Inc., and all of its subsidiaries. All significant intercompany transactions and accounts have been eliminated. Certain prior period amounts have been reclassified to conform to the 1994 presentation.

CASH EQUIVALENTS

The company considers temporary cash investments with maturities of three months or less from the date of purchase to be cash equivalents.

INVENTORIES

Inventories are stated at the lower of cost or market, with cost determined on a first-in, first-out basis.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment is stated at cost. Additions and improvements are capitalized. Maintenance and repairs are expensed as incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the various assets.

GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the excess of cost over net assets of businesses acquired, while other intangible assets consist primarily of purchased technology and patents. These assets are being amortized using the straight-line method over their estimated useful lives, of which periods up to 26 years remain.

The increases in goodwill and other intangible assets during 1994 are related primarily to the acquisitions of DLP, Inc., Electromedics, Inc., and Carbon Implants, Inc. See Note 2 for discussion of acquisitions.

FOREIGN CURRENCY TRANSLATION

Essentially all assets and liabilities are translated to U.S. dollars at year-end exchange rates, while elements of the income statement are translated at average exchange rates in effect during the year. Adjustments arising from the translation of most net assets located outside the United States are recorded as a component of shareholders' equity.

ROYALTY INCOME

Income earned from royalty and license agreements is recorded as a reduction of selling, general, and administrative expense.

NOTE 2--ACQUISITIONS AND DIVESTITURES

ACQUISITIONS

On March 17, 1994, the company acquired substantially all of the assets and liabilities of DLP, Inc., for approximately $128.3 million in cash. DLP is the market leader in the development, manufacture, and sale of cannula products used in heart surgery.

(in thousands of dollars, except per share data) Medtronic, Inc.

On April 25, 1994, the company acquired all of the outstanding shares of Electromedics, Inc., for approximately $95.3 million. The purchase price consisted of approximately $39.1 million payable in cash and approximately 778,000 shares of the company's common stock valued at $56.2 million. Electromedics designs, manufactures, and markets blood management and blood conservation equipment for use in autotransfusion during major medical procedures.

On April 29, 1994, the company acquired all of the remaining outstanding common stock of Carbon Implants, Inc., an innovator in the design and manufacturing of implantable prosthetic heart valves. The total purchase price was approximately $34.6 million.

The acquisitions of DLP, Electromedics, and Carbon Implants were accounted for as purchases. Accordingly, the results of operations of the acquired entities have been included in the company's consolidated financial statements since the respective dates of acquisition. Acquired goodwill, patents, trademarks, and other intangible assets associated with these acquisitions are being amortized using the straight-line method over periods ranging from 8 to 25 years.

The following unaudited pro forma information has been prepared assuming that the acquisitions of DLP, Electromedics, and Carbon Implants had occurred at the beginning of the periods presented. Permitted pro forma adjustments include only the effects of events directly attributable to a transaction that are factually supportable and expected to have a continuing impact, such as: amortization of intangibles, decreased net interest income on cash paid, income tax effects, and increased outstanding shares of common stock. Pro forma adjustments reflecting anticipated "efficiencies" in operations resulting from a transaction are not permitted. As a result of the limitations imposed with regard to the types of permitted pro forma adjustments, Medtronic believes that this unaudited pro forma information is not indicative of future results of operations, nor the results of historical operations had the acquisitions been consummated as of the assumed dates.

	(Unaudited)	
Years ended April 30,	1994	1993
Net Sales	$1,464,001	$ 1,400,314
Net Earnings	$ 225,172	$ 204,036*
Net Earnings per Share	$ 3.87	$ 3.39*
Average Shares Outstanding	58,205	60,159

* Net earnings and net earnings per share for 1993 exclude the cumulative effect of accounting changes (Notes 8 and 9).

In May 1992, the company acquired all of the outstanding capital stock of CardioRhythm, a manufacturer of electrophysiological catheters used for the diagnosis and treatment of cardiac arrhythmias. The initial price paid of $20.0 million was accounted for as a purchase and the results of operations have been included in the company's consolidated financial statements since the date of acquisition. In 1994, the company made additional payments of $6.5 million to settle substantially all remaining obligations existing at the acquisition date. These payments were recorded as additions to the initial price of the acquisition.

DIVESTITURES

In July 1993, the company sold substantially all the assets of its Andover Medical, Inc., subsidiary for $21.0 million, recognizing a pretax gain of $14.0 million. Andover Medical developed, manufactured, and marketed external electrodes used primarily with electrical nerve stimulation and neuromuscular stimulation devices. Exclusive of the gain recognized, this transaction did not have a significant impact on the company's operating results.

In November 1992, the company sold substantially all the assets of its Nortech business, excluding accounts receivable. Nortech developed, manufactured, and marketed transcutaneous electrical nerve stimulation and neuromuscular stimulation devices for pain control and muscle rehabilitation. During 1993,

intangible asset amortization of $18.0 million was recorded, a significant portion of which related to the Nortech business.

In February 1993, the company sold all the assets of its CardioCare division. CardioCare was in the business of telephonic pacemaker monitoring. This transaction did not have a significant impact on the company's operating results.

NOTE 3--FINANCIAL INSTRUMENTS

FOREIGN CURRENCY INSTRUMENTS

A significant portion of the company's cash flows are derived from sales denominated in foreign currencies. To the extent the U.S. dollar value of sales denominated in foreign currencies is diminished as a result of a strengthening dollar, the company's ability to fund dollar-based strategic initiatives at a consistent level may be impaired. To minimize the impact of foreign exchange rate movements on sales denominated in foreign currencies, the company enters into forward exchange and option contracts. The company's hedging activities do not subject it to exchange rate risk as gains and losses on these financial instruments offset gains and losses on the assets, liabilities, and transactions being hedged.

The company had contracts to exchange foreign currencies, principally the Japanese Yen and German Deutschemark, for U.S. dollars as follows:

April 30,	1994	1993
Forward exchange contracts	$ 371,672	$112,746
Foreign currency put options	66,875	131,086

These option and forward exchange contracts, which typically expire within one year, are designed to hedge anticipated foreign currency transactions. Such transactions, primarily export intercompany sales, are probable but not firmly committed. The carrying amounts of forward contracts are adjusted at each balance sheet date for changes in exchange rates. The aggregate losses on forward contracts of $12,869 and $11,959 in 1994 and 1993, respectively, were offset by gains on the assets, liabilities, and transactions being hedged. Unrealized gains and losses on options that are designated and effective as hedges on such transactions are deferred and recognized in income in the same period as the hedged transaction.

OTHER FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of the company's significant financial instruments were as follows:

April 30,	1994		1993	
	CARRYING AMOUNT	FAIR VALUE	Carrying Amount	Fair Value
ASSETS				
Cash and short-term investments	$181,414	$181,414	$155,978	$155,978
Long-term investments	91,177	106,655	57,533	79,983
Purchased options	907	210	5,454	11,977
LIABILITIES				
Short-term borrowings	55,406	55,406	86,115	86,115
Long-term debt	22,999	23,748	16,600	16,956
Forward exchange contracts	12,205	12,205	6,030	6,030

Fair values of short-term financial instruments approximate their carrying values due to their short maturity. The fair values of certain long-term investments are based on quoted market prices for those or similar investments. For long-term investments which have no quoted market prices, a reasonable estimate of fair value was made using available market information and appropriate valuation techniques. The fair value of long-term debt is based on the current rates offered to the company for debt of similar maturities. The estimates presented above on long-term financial instruments are not necessarily indicative of the amounts that would be realized in a current market exchange.

(in thousands of dollars, except per share data) Medtronic, Inc.

The fair value of foreign currency contracts were estimated based on quoted market prices at April 30, 1994 and 1993.

In May 1993, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." SFAS No. 115 requires certain debt and equity securities to be accounted for based on their fair value. The company must adopt SFAS No. 115 in 1995, however, adoption of SFAS 115 is not expected to have a material impact on the company's financial position.

CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially subject the company to significant concentrations of credit risk, consist principally of cash investments, foreign currency exchange contracts, and trade accounts receivable.

The company maintains cash and cash equivalents, investments, and certain other financial instruments with various major financial institutions. The company performs periodic evaluations of the relative credit standing of these financial institutions and limits the amount of credit exposure with any financial institution.

Concentrations of credit risk with respect to trade accounts receivable are limited due to the large number of customers and their dispersion across many geographic areas. However, a significant amount of trade receivables are with national health care systems in several countries within the European Economic Community. Although the company does not currently foresee a credit risk associated with these receivables, repayment is dependent upon the financial stability of those countries' national economies.

NOTE 4--DEBT

SHORT-TERM

Short-term borrowings consist primarily of U.S. bank borrowings used to finance recent acquisition activity (see Note 2 to consolidated financial statements) and company stock repurchases and non-U.S. bank borrowings used for foreign exchange purposes. Short-term borrowings and current maturities of long-term debt amounted to $58,173 and $91,864 at April 30, 1994 and 1993, respectively. The average interest rate of short-term borrowings was 5.1% and 5.3% at April 30, 1994 and 1993, respectively.

The company has existing lines of credit of $426,000 with various banks, of which $370,594 was unused at April 30, 1994. There are no compensating balance requirements.

LONG-TERM

Long-term debt consisted of the following:

April 30,	1994	1993
Various notes, maturing through 2007 (5.2% - 9.9%)	$18,869	$ 7,564
Industrial Development Serial Revenue bonds 7.4%	--	4,170
Capitalized lease obligations	4,130	4,866
	22,999	16,600
Less current maturities (included in short-term borrowings)	2,767	5,749
Total long-term debt	$20,232	$10,851

Aggregate maturities of the various notes are $2,088 in 1995, $2,006 in 1996, $3,117 in 1997, $3,232 in 1998, $2,928 in 1999, and $5,498 thereafter.

NOTE 5--SHAREHOLDERS' EQUITY

Changes in shareholders' equity accounts were as follows:

	Common Stock	Retained Earnings	Cumulative Translation Adjustments	Receivable from ESOP
Balance, April 30, 1991	5,953	713,156	2,057	(38,000)
Net earnings		161,541		
Dividends paid		(29,339)		
Issuance of common stock under employee benefit and incentive plans	43	13,270		
Repurchase of common stock	(53)	(38,246)		
Income tax benefit from restricted stock and nonstatutory stock options		3,790		
Translation adjustments			233	
Repayment from ESOP				2,050
Balance, April 30, 1992	5,943	824,172	2,290	(35,950)
Net earnings		197,228		
Dividends paid		(33,337)		
Issuance of common stock under employee benefit and incentive plans	53	17,355		
Repurchase of common stock	(214)	(142,705)		
Income tax benefit from restricted stock and nonstatutory stock options		7,590		
Translation adjustments			(3,347)	
Repayment from ESOP				2,400
Balance, April 30, 1993	$5,782	$870,303	$(1,057)	$(33,550)
Net earnings		232,357		
Dividends paid		(38,985)		
Issuance of common stock under employee benefit and incentive plans	39	16,300		
Issuance of common stock in acquisition of subsidiary	78	56,099		
Repurchase of common stock	(86)	(53,337)		
Income tax benefit from restricted stock and nonstatutory stock options		6,944		
Translation adjustments			(8,645)	
Repayment from ESOP				1,250
Balance, April 30, 1994	$5,813	$1,089,681	$(9,702)	$(32,300)

At April 30, 1994, Board of Directors' authorization existed to repurchase approximately 1.5 million shares of the company's common stock.

A shareholder rights plan exists which provides for a dividend distribution of one right to be attached to each share of common stock to shareholders of record on July 10, 1991. The rights are currently not exercisable or transferable apart from the common stock. The basic right entitles the holder to purchase one two-hundredth of a share of a new series of participating preferred stock, which is substantially equivalent to one share of common stock, at an exercise price of $300 per share. These rights would become exercisable if a person or group acquires 15% or more of the company's common stock or announces a tender offer which would increase the person's or group's beneficial ownership to 15% or more of the company's common stock, subject to certain exceptions. After the rights become exercisable, each right entitles the holder, instead, to purchase common stock having a market value of two times the exercise price. If the company is acquired in a merger or other business combination transaction, each exercisable right entitles the holder to purchase common stock of the acquiring company having a market value of two times the exercise price of the right. In certain events the Board of Directors may exchange rights for common stock or equivalent securities having a market price equal to the exercise price of the rights. Each

(in thousands of dollars, except per share data) Medtronic, Inc.

right is redeemable at $0.005 any time before a person or group triggers the 15% ownership threshold. The rights expire on July 10, 2001.

NOTE 6--EMPLOYEE STOCK OWNERSHIP PLAN

The company has an Employee Stock Ownership Plan (ESOP) for eligible U.S. employees. In December 1989, the ESOP borrowed $40,000 from the company and used the proceeds to purchase 1,183,308 shares of the company's common stock. The company makes annual contributions to the plan which are used, in part, by the ESOP to make loan and interest payments. Expenses related to the ESOP are based on debt service requirements less any dividends received by the ESOP on the company's common stock. This amount is further adjusted by any additional company contribution necessary to meet an annual targeted benefit level. Compensation and interest expense recognized were as follows:

Years ended April 30,	1994	1993	1992
Interest expense	$3,020	$3,235	$3,420
Dividends paid	811	667	583
Net interest expense	2,209	2,568	2,837
Compensation expense	3,588	4,802	2,497
Total expense	$5,797	$7,370	$5,334

Shares of common stock acquired by the plan are allocated to each employee in amounts based on company performance and the employee's annual compensation. Allocated shares were 271,563 and 188,103 at April 30, 1994 and 1993, respectively. Unallocated shares were 858,528 and 920,799 at April 30, 1994 and 1993, respectively. Unallocated shares are released based on the ratio of current debt service to total remaining debt. The loan from the company to the ESOP is repayable over 20 years, ending on April 30, 2010. Interest is payable annually at a rate of 9.0%. The receivable from the ESOP is recorded as a reduction of the company's shareholders' equity and allocated and unallocated shares of the ESOP are treated as outstanding common stock in the computation of earnings per share.

NOTE 7--STOCK PURCHASE, OPTION, AND AWARD PLANS

The company has a stock purchase plan, nonqualified and incentive stock option plans, a restricted and performance share award plan, and a plan to allow non-employee directors to receive restricted stock in payment of their annual retainer. Issuance of the aggregate outstanding grants available under these plans would not have a material dilutive effect on reported earnings per share.

STOCK PURCHASE PLAN

The stock purchase plan enables employees to contribute up to 10% of their wages toward purchase of the company's common stock at 85% of the market value. Employees purchased 170,019 shares at $63.01 per share in 1994. At April 30, 1994, plan participants have indicated they will purchase shares worth approximately $8,563 at a price of $63.44 per share, or 85% of the market value of the company's common stock at October 31, 1994, whichever is less.

STOCK OPTION PLANS

Options under a nonqualified stock option plan are granted to officers and key employees at prices not less than market value at the date of grant. There were 339,981 shares available under this plan for future grants at April 30, 1994. No future grants will be made under this plan, if the shareholders approve the 1994 stock award plan described below.

A summary of option transactions in 1994 follows:

	Option Price Range Per Share	Number of Shares	Expiration Date

NONQUALIFIED OPTIONS

Outstanding at beginning of year	$ 6.69-$98.00	1,271,475	1994-2003
Granted	62.13- 84.38	521,931	2003-2004
Exercised	6.69- 74.38	(171,347)	1994-2001
Cancelled	30.13- 98.00	(29,144)	1999-2003
Outstanding at end of year	6.69- 98.00	1,592,915	1994-2004
Exercisable at end of year	6.69- 98.00	840,956	1994-2003

Nonqualified options are generally exercisable beginning one year from the date of grant in cumulative yearly amounts of one-fourth of the shares under option.

RESTRICTED STOCK AND PERFORMANCE SHARE AWARD PLAN

The restricted stock and performance share award plan provides for issuance of common stock to company officers and key employees. Awards are dependent upon continued employment and, in the case of performance shares, achievement of certain performance objectives. In 1994, 83,100 restricted shares were issued and 46,541 performance shares were awarded. At April 30, 1994, total restricted shares outstanding were 374,108 and total performance share grants outstanding were 116,999. The actual number of performance shares awarded may vary from the number of shares granted depending on the degree to which the performance objectives are met. The cost of the restricted stock is generally expensed over five years from the date of issuance ($4,205 in 1994, $3,763 in 1993, and $2,487 in 1992). The estimated cost of the performance shares is expensed over three years from the date of grant ($3,131 in 1994, $3,387 in 1993, and $4,999 in 1992). There were no shares of common stock available for future grants under this plan at April 30, 1994. No future grants will be made under this plan, if the shareholders approve the 1994 stock award plan described below.

1994 STOCK AWARD PLAN

The Board of Directors approved the 1994 stock award plan, effective April 29, 1994, to replace the existing stock option, stock award, and non-employee director restricted stock plans and incorporate requirements necessary to comply with new federal tax law requirements for the deductibility of executive compensation. The stock award plan provides for the grant of nonqualified and incentive stock options, stock appreciation rights, performance shares, restricted stock in lieu of the annual retainer to non-employee directors, and other stock-based awards.

In addition to the shares issued and outstanding under each of the individual stock option and award plans, the following awards were granted on April 29, 1994, and were outstanding as of April 30, 1994, under the new stock award

plan: Performance share awards for up to 44,924 shares, assuming maximum performance payout for the three-year performance cycle ending April 30, 1997; restricted stock awards of 1,056 shares; and nonqualified options of 6,287 shares. The 1994 grants under the stock award plan are contingent upon approval of the plan by the shareholders. Assuming shareholder approval of the stock award plan, there were 2,747,733 shares available under this plan for future grants at April 30, 1994.

NOTE 8--INCOME TAXES

The company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. (SFAS) 109 which was adopted in 1993 on a prospective basis. The asset and liability approach used in SFAS 109 requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of other assets and liabilities. Adoption of SFAS 109 resulted in a one-time charge to earnings of $5,100, which primarily represents the impact of adjusting net deferred tax assets to reflect current tax rates as opposed to overall higher tax rates in effect when the net deferred tax assets originated.

(in thousands of dollars, except per share data) Medtronic, Inc.

The provision for income taxes is based on earnings before income taxes reported for financial statement purposes. The components of earnings before income taxes were:

Years ended April 30,	1994	1993	1992
United States	$279,220	$275,047	$212,396
Non-U.S.	67,581	38,411	30,522
Earnings before income taxes	$346,801	$313,458	$242,918

The provision for income taxes consisted of:

Years ended April 30,	1994	1993	1992
Taxes currently payable:			
U.S. federal	$ 64,840	$ 70,402	$56,864
U.S. state and other	21,268	18,919	14,944
Non-U.S.	29,859	26,039	21,395
Total currently payable	115,967	115,360	93,203
Deferred tax expense (benefit):			
U.S. federal	(7,049)	(17,129)	(8,084)
U.S. state and other	(2,459)	397	876
Non-U.S.	1,539	(7,257)	(4,618)
Net deferred tax benefit	(7,969)	(23,989)	(11,826)
Tax expense credited directly to shareholders' equity	6,446	10,503	--
Total provision	$114,444	$ 101,874	$81,377

Deferred tax assets (liabilities) were comprised of the following:

April 30,	1994	1993
Deferred tax assets:		
Inventory (Intercompany profit in inventory and excess of tax over book valuation)	$56,375	$48,579
Deferred income	5,250	10,841
Accrued liabilities	40,133	29,416
Other	10,594	10,306
Total deferred tax assets	112,352	99,142

April 30,	1994	1993
Deferred tax liabilities:		
Intangible assets	(17,823)	(10,582)
Undistributed earnings of subsidiaries	(8,846)	(10,521)
Accumulated depreciation	(14,819)	(14,519)
Other	(6,970)	(128)
Total deferred tax liabilities	(48,458)	(35,750)
Net deferred tax assets	$ 63,894	$63,392

(in thousands of dollars, except per share data) Medtronic, Inc.

The company's effective income tax rate varied from the U.S. federal statutory tax rate as follows:

Years ended April 30,	1994	1993	1992
U.S. federal statutory tax rate	35.0%	34.0%	34.0%
Increase (decrease) in tax rate resulting from:			
U.S. state taxes, net of federal tax benefit	2.5	2.7	2.7
Tax benefits from operations in Puerto Rico	(8.2)	(8.5)	(8.5)
Non-U.S. taxes	1.7	1.9	2.7
Nondeductible expenses (primarily amortization)	2.1	2.5	2.1
Other, net	(.1)	(.1)	.5
Effective tax rate	33.0%	32.5%	33.5%

Taxes are provided on undistributed earnings of non-U.S. and Puerto Rican subsidiaries to the extent such earnings are not permanently reinvested. Current U.S. tax regulations provide that earnings of the company's manufacturing subsidiaries in Puerto Rico may be repatriated tax free; however, the Commonwealth of Puerto Rico will assess a tax of up to 10% in the event of repatriation of earnings prior to liquidation. The company has provided for the anticipated tax attributable to earnings intended for dividend repatriation. At April 30, 1994, earnings permanently reinvested in subsidiaries outside the United States were $108,491. It is not practical to estimate the amount of taxes that might be payable on these foreign earnings.

At April 30, 1994, approximately $9,317 of non-U.S. tax losses were available for carryforward. These carryforwards generally expire within a period of one to five years.

NOTE 9--RETIREMENT BENEFIT PLANS

The company has various retirement benefit plans covering substantially all U.S. employees and many employees outside the United States. The cost of these plans was $20,208 in 1994, $17,611 in 1993, and $12,007 in 1992.

DEFINED BENEFIT PLAN (UNITED STATES)

In the United States, the company maintains a pension plan designed to provide guaranteed minimum retirement benefits to substantially all U.S. employees. Plan benefits are calculated using a combination of years of service, final average earnings, primary social security benefits, and age. It is the company's policy to fund retirement costs within the limits of allowable tax deductions. The net prepaid pension cost was caused by maximum funding during the last several years. Contributions to the plan were $5,075,

$2,871, and $7,520 in 1994, 1993, and 1992, respectively. Plan assets consist of a diversified portfolio of fixed-income investments, equity securities, and cash equivalents. Plan assets include investments in the company's common stock of $6,020 and $5,230 at April 30, 1994 and 1993, respectively.

Net pension cost for the U.S. plan included the following components:

Years ended April 30,	1994	1993	1992
Service cost--benefits earned during the year	$5,795	$ 4,370	$3,170

Interest cost on projected benefit obligation	5,222	4,013	3,410
Return on assets	(7,218)	(7,556)	(6,829)
Net amortization and deferral	819	2,009	1,976
Net pension cost	$4,618	$ 2,836	$1,727

The funded status of the U.S. plan was as follows:

April 30,	1994	1993
Actuarial present value of benefit obligation:		
Vested benefits	$(45,787)	$(32,105)
Nonvested benefits	(5,741)	(3,419)
Accumulated benefit obligation	(51,528)	(35,524)
Excess of projected benefit obligation over accumulated benefit obligation	(23,181)	(19,577)
Projected benefit obligation	(74,709)	(55,101)
Plan assets at fair value	73,160	65,568
Plan assets (less than) in excess of projected benefit obligation	(1,549)	10,467
Unrecognized May 1, 1986, net asset	(2,833)	(4,033)
Unrecognized net actuarial loss (gain)	8,130	(969)
Unrecognized prior service cost	1,615	1,854
Net prepaid pension cost	$ 5,363	$ 7,319

The actuarial assumptions were as follows:

Years ended April, 30	1994	1993	1992
Discount rate	7.5%	8.5%	9.0%
Expected long-term return on assets	9.0%	9.0%	9.0%
Average increase in compensation	5.5%	6.0%	6.0%

DEFINED BENEFIT PLANS (NON-U.S.)
Retirement coverage for non-U.S. employees of the company is provided, to the extent deemed appropriate, through separate plans. Funding policies are based on local statutes. Retirement benefits are based on years of service, final average earnings, and social security benefits.

Net pension cost for the non-U.S. plans included the following components:

Years ended April 30,	1994	1993	1992
Service cost--benefits earned during the year	$1,374	$1,840	$1,132
Interest cost on projected benefit obligation	268	249	206
Return on assets	(26)	(19)	(37)
Net amortization and deferral	49	(17)	9
Net pension cost	$1,665	$2,053	$1,310

In certain countries, the funding of pension plans is not a common practice as funding provides no economic benefit. Consequently, the company has pension plans which are underfunded. The following table sets forth the funded status of

the non-U.S. plans:

April 30,	1994	1993
Actuarial present value of benefit obligation:		
Vested benefits	$(6,485)	$(6,282)
Nonvested benefits	(581)	(782)
Accumulated benefit obligation	(7,066)	(7,064)
Excess of projected benefit obligation over accumulated benefit obligation	(1,133)	(932)
Projected benefit obligation	(8,199)	(7,996)
Plan assets at fair value	555	608
Projected benefit obligation in excess of plan assets	(7,644)	(7,388)
Unrecognized May 1, 1989, net obligation	98	242
Unrecognized net actuarial loss	914	251
Net accrued pension liability	$(6,632)	$(6,895)

The range of assumptions for the non-U.S. plans, reflecting the different economic environments within the various countries, were as follows:

Years ended April 30,	1994	1993	1992
Discount rate	6.5%-8.5%	8.5%	8.5%-9.0%
Expected long-term return on assets	8.5%	8.5%	9.0%
Average increase in compensation	4.5%	5.5%	5.5%-6.0%

DEFINED CONTRIBUTION PLANS

The company has defined contribution savings plans that cover substantially all U.S. employees and certain non-U.S. employees. The purpose of these plans is generally to provide additional financial security during retirement by providing employees with an incentive to make regular savings. Company contributions to the plans are based on employee contributions and company performance. Expense under the plans was $10,402 in 1994, $9,453 in 1993, and $8,072 in 1992.

RETIREE HEALTH CARE BENEFITS

U.S. employees of the company are currently eligible to receive specified company-paid health care and life insurance benefits during retirement based on their age and years of service. The health care benefits include cost-sharing features based on years of service and retirement age. The life insurance plans require minimum retiree contributions.

The company adopted Statement of Financial Accounting Standards No. (SFAS) 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," for U.S. plans in 1993. SFAS 106 requires the company to recognize expense as employees earn these postretirement benefits, rather than on the cash basis. The company chose to immediately recognize the transition obligation, which is the cost of postretirement benefits earned as of May 1, 1992, by employees and retirees. This resulted in a one-time charge in 1993 of $14,930, which was recorded net of $5,674 in deferred income taxes.

The net postretirement benefit cost of these U.S. plans, exclusive of the transition obligation in 1993, included the following components:

Years ended April 30,	1994	1993
Service cost--benefits earned during the year	$1,049	$ 785

(in thousands of dollars, except per share data) Medtronic, Inc.

Interest cost on accumulated benefit obligation	1,440	1,254
Net amortization and deferral	(243)	--
Postretirement benefit cost	$2,246	$2,039

The company's policy has been to fund the cost of these benefits as they are paid. The funded status of the U.S. plans at April 30, 1994 and 1993, was as follows:

Years ended April 30,	1994	1993
Actuarial present value of postretirement benefit obligation:		
Retirees	$ 5,787	$ 4,674
Other fully eligible participants	4,769	3,287
Other active plan participants	11,752	8,861
Unrecognized net loss	(3,330)	--
Accrued postretirement benefit cost	$18,978	$16,822

Actuarial assumptions included a discount rate of 7.5% in 1994 and 8.5% in 1993, and an assumed rate of increase in health care costs, also known as the health care cost trend rate, of 12% for 1994 and 1993. This trend rate is assumed to decrease gradually to 6% by 2003. Based on current estimates, increasing the health care cost trend rate by one percentage point each year would increase the accumulated postretirement benefit obligation by $1,977 and the postretirement benefit cost by $279.

The company must adopt SFAS 106 for non-U.S. plans by 1996. However, management does not believe adoption of SFAS 106 for these plans will have a material impact on the company's financial position.

POSTEMPLOYMENT BENEFITS

During 1994, the company adopted Statement of Financial Accounting Standards (SFAS) No. 112, "Employers' Accounting for Postemployment Benefits." SFAS No. 112 requires the company to recognize expense as employees earn postemployment benefits or when an event, such as a disability, triggers postemployment benefits, rather than on the cash basis. Adoption of SFAS No. 112 had an insignificant impact on the 1994 operating results.

NOTE 10--LEASES

The company leases offices, manufacturing and research facilities, and warehouses, as well as transportation, data processing, and other equipment, under capital and operating leases. A substantial number of these leases contain options that allow the company to renew at the then fair rental value.

Future minimum payments under capitalized leases and noncancellable operating leases at April 30, 1994, were:

	Capitalized Leases	Operating Leases
1995	$ 678	$16,962
1996	391	13,381
1997	238	10,505
1998	211	7,694
1999	101	6,725
2000 and thereafter	2,511	4,280
Total minimum lease payments	4,130	$59,547
Less amounts representing interest	2,405	

Present value of net minimum lease payments	$ 1,725

Rent expense for all operating leases was $18,510 in 1994, $21,555 in 1993, and $16,893 in 1992.

NOTE 11--LITIGATION SETTLEMENT

In September 1992, the company and Siemens AG settled all ongoing patent litigation between the companies and cross-licensed all existing patents covering cardiac stimulation devices. Siemens made an initial payment of $50.0 million to Medtronic and will make ongoing royalty payments for approximately 10 years based on Siemens' worldwide sales of all cardiac stimulation devices. Medtronic will pay no royalties for the cross-license received from Siemens. In addition to the initial payment, which was recognized as income in 1993, Siemens made a $25.0 million contingent prepayment against future royalties. The prepayment is being recognized as income when earned.

NOTE 12--COMMITMENTS AND CONTINGENCIES

The company is involved in litigation and disputes which are normal to its business. Management believes losses that might eventually be sustained from such litigation and disputes would not be material to future years. Further, product liability claims may be asserted in the future relative to events not known to management at the present time. The company has insurance coverage which management believes is adequate to protect against such product liability losses as could materially affect the company's financial position.

The Medtronic Foundation, funded entirely by the company, was established to maintain good corporate citizenship in its communities. In 1993, the company made a commitment to contribute $12,000 over a five-year period ending September 30, 1997. At April 30, 1994, the remaining balance of this commitment was $11,365. Commitments to the Medtronic Foundation are expensed when authorized and approved by the company's Board of Directors.

NOTE 13--QUARTERLY FINANCIAL DATA
(UNAUDITED, IN MILLIONS OF DOLLARS, EXCEPT PER SHARE DATA)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Net Sales					
1994	$331.3	$332.1	$334.6	$393.0	$1,390.9
1993	329.9	331.8	308.2	358.2	1,328.2
Gross Profit					
1994	230.0	227.5	231.4	270.4	959.2
1993	225.3	226.7	210.7	245.4	908.1
Net Earnings before Cumulative Effects					
1994	52.5	56.2	56.9	66.7	232.4
1993	45.6	60.2	47.8	58.0	211.6
Net Earnings					
1994	52.5	56.2	56.9	66.7	232.4
1993	31.2	60.2	47.8	58.0	197.2
Earnings per Share:					
Before Cumulative Effects					
1994	.91	.98	.99	1.16	4.05
1993	.77	1.01	.80	.98	3.56
Net Earnings					
1994	.91	.98	.99	1.16	4.05
1993	.53	1.01	.80	.98	3.32

Quarterly and annual earnings per share are calculated independently based on the weighted average number of shares outstanding during the period.

In the first quarter of 1994, the company sold substantially all the assets of its Andover Medical, Inc., subsidiary for $21.0 million, recognizing a pretax gain of $14.0 million. The first quarter was also affected by $14.3 million of charges which primarily relate to the impact of adoption of a new accounting principle and a provision for potentially uncollectible trade and other receivables.

In the second quarter of 1993, the company settled all ongoing patent litigation with Siemens and recognized income of $50.0 million. In addition, the company recorded a commitment to the Medtronic Foundation of $12.0 million and accelerated intangible asset amortization of $18.0 million. For further information, see Notes 2, 11, and 12 to the consolidated financial statements.

NOTE 14--SEGMENT REPORTING

The company operates in a single industry segment--providing medical products and services. Its business is segmented into three geographic areas--the United States, Europe, and other international markets. The geographic areas are, to a significant degree, interdependent with respect to research, product supply, and business expertise. Sales between geographic areas are made at prices which would approximate transfers to unaffiliated distributors. In the presentation below, the profit derived from such transfers is attributed to the area in which the sale to the unaffiliated customer is eventually made. Because of the inter dependence of the geographic areas, the operating profit as presented may not be representative of the geographic distribution which would occur if the areas were not interdependent.

GEOGRAPHIC AREA INFORMATION

	United States	Europe	Other Int'l	Elimi-nations	Consoli-dated
1994					
Sales to unaffiliated customers	$800,391	$386,009	$204,522	$ --	$1,390,922
Intergeographic sales	163,905	18,710	309	(182,924)	--
Total sales	964,296	404,719	204,831	(182,924)	1,390,922
Operating profit	210,445	53,512	67,566	--	331,523
Nonoperating income					15,278
Earnings before income taxes					346,801
Identifiable assets	1,103,222	276,047	128,851	(94,858)	1,413,262
Corporate assets					209,990
Total assets					$1,623,252
1993					
Sales to unaffiliated customers	$770,655	$392,894	$164,659	$ --	$1,328,208
Intergeographic sales	142,750	19,370	125	(162,245)	--
Total sales	913,405	412,264	164,784	(162,245)	1,328,208

Operating profit	258,170	62,269	46,679	--	367,118
Nonoperating expense					(53,660)
Earnings before income taxes					313,458
Identifiable assets	818,898	287,048	101,125	(82,541)	1,124,530
Corporate assets					167,950
Total assets					$1,292,480
1992					
Sales to unaffiliated customers	$698,548	$336,792	$141,572	$ --	$1,176,912
Intergeographic sales	133,517	26,223	297	(160,037)	--
Total sales	832,065	363,015	141,869	(160,037)	1,176,912
Operating profit	186,154	55,758	40,047	--	281,959
Nonoperating expense					(39,041)
Earnings before income taxes					242,918
Identifiable assets	733,156	278,836	85,870	(54,406)	1,043,456
Corporate assets					120,000
Total assets					$1,163,456

Nonoperating expense includes interest income, interest expense, currency exchange gains and losses, and certain corporate general and administrative expenses. Intergeographic sales and the intergeographic profit remaining in ending inventories are the principal items reflected as eliminations.

SELECTED FINANCIAL DATA

(in millions of dollars, except per share data) Medtronic, Inc.

	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
OPERATING RESULTS FOR THE YEAR:											
Net sales	$1,390.9	$1,328.2	$1,176.9	$1,021.4	$865.9	$765.8	$669.9	$515.4	$411.5	$370.4	$390.8
Cost of products sold	431.7	420.1	381.8	331.7	281.7	248.5	217.4	176.9	154.5	140.6	144.8
Research and development expense	156.3	133.0	109.2	89.5	81.5	67.7	55.1	43.6	40.1	39.5	35.6
Selling, general, and administrative expense	456.3*	460.0*	439.9	399.9*	331.3*	291.9*	267.2	187.7	132.6*	142.6	138.5
Interest expense	8.2	10.4	13.4	13.8	10.1	8.4	5.9	4.3	4.4	3.6	3.0
Interest income	(8.4)	(8.8)	(10.3)	(9.7)	(6.2)	(5.6)	(7.1)	(7.2)	(12.5)	(13.4)	(10.7)
Earnings from continuing operations before income taxes	346.8	313.5	242.9	196.2	167.5	155.0	131.4	110.2	92.3	57.6	79.6
Provision for income taxes	114.4	101.9	81.4	62.9	54.6	54.7	44.8	34.8	24.3	5.8	19.0
Earnings from continuing operations	232.4	211.6	161.5	133.4	112.9	100.3	86.6	75.3	68.0	51.8	60.6
Discontinued operations and cumulative effect of accounting changes (net)	--	(14.4)	--	--	--	--	--	--	(14.0)	(13.7)	(.9)
Net earnings	232.4	197.2	161.5	133.4	112.9	100.3	86.6	75.3	54.0	38.1	59.7
Net earnings as a percent of net sales	16.7%	14.8%	13.7%	13.1%	13.0%	13.1%	12.9%	14.6%	13.1%	10.3%	15.3%
Net earnings as a percent of average shareholders' equity	24.5%	24.1%	21.8%	21.4%	21.3%	22.2%	21.2%	19.8%	15.5%	11.2%	18.7%
Per share of common stock:											

Earnings from continuing operations before cumulative effects of accounting changes	4.05	3.56	2.71	2.25	1.92	1.73	1.46	1.25	1.09	.79	.88
Net earnings	4.05	3.32	2.71	2.25	1.92	1.73	1.46	1.25	.86	.58	.87
Cash dividends declared	.68	.56	.48	.41	.35	.30	.26	.22	.20	.19	.18
Gross margin percentage	69.0%	68.4%	67.6%	67.5%	67.5%	67.6%	67.5%	65.7%	62.4%	62.1%	63.0%
FINANCIAL POSITION AT APRIL 30:											
Working capital	$ 406.4	$ 426.6	$ 387.3	$ 320.1	$240.4	$206.1	$244.6	$250.2	$227.8	$221.7	$208.4
Current ratio	1.9:1	2.2:1	2.3:1	2.1:1	1.9:1	1.9:1	2.3:1	3.0:1	2.7:1	3.3:1	3.6:1
Property, plant, and equipment, net	301.8	282.8	256.8	217.2	183.6	157.2	134.6	121.1	113.7	113.1	108.5
Total assets	1,623.3	1,292.5	1,163.5	1,024.1	885.3	783.0	661.3	580.0	540.9	473.2	460.8
Long-term debt	20.2	10.9	8.6	7.9	8.0	8.2	11.1	7.6	13.8	9.4	10.2
Long-term debt as a percent of shareholders' equity	1.9%	1.3%	1.1%	1.2%	1.4%	1.7%	2.7%	1.9%	3.8%	2.8%	3.0%
Shareholders' equity	1,053.5	841.5	796.5	683.2	565.2	492.7	412.0	403.1	358.9	338.1	345.0
Shareholders' equity per common share	18.12	14.55	13.40	11.48	9.59	8.47	6.88	6.42	5.65	5.09	4.87
ADDITIONAL INFORMATION:											
Expenditures for property, plant, and equipment	$86.0	$87.4	$83.2	$73.7	$59.3	$57.4	$39.1	$28.5	$17.6	$29.7	$28.1
Full-time employees at year-end	8,709	8,334	8,314	7,560	7,030	6,529	5,939	5,156	4,964	5,046	5,315
Full-time equivalent employees at year-end	9,856	9,247	9,392	8,470	7,717	7,152	6,471	5,587	5,329	5,362	5,590

*Certain unusual costs and income from litigation settlements are included in selling, general, and administrative expense.

INVESTOR INFORMATION

ANNUAL MEETING

The annual meeting of Medtronic shareholders will take place on Wednesday, August 31, 1994, beginning at 10:00 a.m. at the Corporate Center, 7000 Central Avenue, NE, Minneapolis, Minnesota. The Notice of Annual Meeting and Proxy Statement are mailed to shareholders with the annual report.

INVESTOR INFORMATION

Shareholders, securities analysts, and investors seeking additional information about the company should call Investor Relations at 612-574-3035.

The following information may be obtained upon request from the Medtronic Investor Relations Department, 7000 Central Avenue, NE, Minneapolis, Minnesota 55432, USA:

* News releases describing significant company events and sales and earnings results for each quarter and the fiscal year.

* Form 10-K Annual and Form 10-Q Quarterly Reports to the Securities and Exchange Commission detailing Medtronic's business and financial condition.

As part of continuing efforts to reduce expenses and make information available on a more timely basis, Medtronic is discontinuing its practice of automatically sending quarterly reports to shareholders. Quarterly financial results may be obtained by requesting news releases as described above.

PRICE RANGE OF MEDTRONIC STOCK

Fiscal Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
1994				
High	$70.50	$75.38	$85.00	$87.50
Low	60.00	57.63	71.63	70.50
1993				
High	83.75	100.38	103.50	91.13
Low	68.00	73.13	87.63	53.25

Prices are closing quotations. On June 16,1994, there were 21,437 holders of record of the company's common stock. The regular quarterly cash dividend was 17 cents per share for 1994 and 14 cents per share for 1993.

STOCK TRANSFER AGENT, REGISTRAR, AND DIVIDEND REINVESTMENT AGENT

Shareholders with questions about stockholdings, dividend checks, dividend reinvestment, transfer requirements, and address changes should contact:

Norwest Bank Minnesota, N.A.
Stock Transfer
161 North Concord Exchange
P.O. Box 738
South St. Paul, MN 55075-0738
Telephone: 1-800-468-9716 or
1-612-450-4064

DIVIDEND REINVESTMENT PLAN

The dividend reinvestment plan provides a convenient way for shareholders to increase their holdings of Medtronic,Inc., common stock through automatic dividend reinvestment and voluntary cash purchase. All registered holders of Medtronic,Inc., common stock may participate. For more information, please contact the transfer agent.

INDEPENDENT ACCOUNTANTS

Price Waterhouse, Minneapolis

STOCK EXCHANGE LISTING

New York Stock Exchange
(symbol: MDT)

The narrative text and cover of this annual report are printed on recycled paper including 50% pre-consumer and 10% post-consumer fiber. The financial text of the book is printed on 100% recycled paper including 69% pre-consumer and 31% post-consumer fiber, of which 16% is paper gathered through the internal recycling program at Medtronic's Minneapolis facilities.

APPENDIX: Graphic and Image Material

Page Number	Description

35 Bar graph of net earnings in millions of dollars for the last three fiscal years as follows:

1994	$232.4
1993	197.2
1992	161.5

35 Bar graph of earnings per share in dollars for the last three fiscal years as follows:

1994	$4.05
1993	3.32
1992	2.71

36 Stacked bar graph of net sales in millions of dollars for the pacing, other cardiovascular, and neurological and other business for each of the last three fiscal years. The data points (in millions of dollars) are as follows:

	1994	1993	1992
Pacing	$ 934	$ 872	$ 778
Other Cardiovascular	328	304	252
Neurological & Other	129	152	147
	$1,391	$1,328	$1,177

36 Stacked bar graph showing net sales in millions of dollars for U.S. and international operations for the last three fiscal years. Data points (in millions of dollars) are as follows:

	1994	1993	1992
U.S.	$ 800	$ 771	$ 699
International	591	557	478
	$1,391	$1,328	$1,177

37 Bar graph of research and development expense in millions of dollars for the last three fiscal years as follows:

1994	$156.3
1993	133.0
1992	109.2

38 Bar graph of net cash in millions of dollars for the last three fiscal years as follows:

1994	$103.0
1993	53.3
1992	21.2

38 Bar graph of cash flows from operating activities in millions of dollars for the last three fiscal years as follows:

1994	$356.9
1993	291.5
1992	151.4

39 Stacked bar graph of equity and interest-bearing debt in millions of dollars for the last three fiscal years. Data points (in millions of dollars) are as follows:

	1994	1993	1992
Equity	$1,053	$841	$796
Interest-Bearing Debt	78	103	89
	$1,131	$944	$885

EXHIBIT NUMBER 21

LIST OF SUBSIDIARIES

EXHIBIT 21

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION
Biotec International S.r.L.	Italy
Carbon Implants, Inc.	Delaware
CardioRhythm	California
Electromedics, Inc.	Minnesota
Electromedics Medizintechnik GmbH	Germany
Electromedics France, SARL	France
Electromedics FSC, Inc.	Barbados
India Biomedical Investment Limited	Minnesota
Interamerica Medtronic, Inc.	Illinois
International Medical Corporation	Colorado
Interbank Leasing	Colorado
International Medical Education Corp.	Colorado
MedRel, Inc.	Minnesota
Medtronic Asia, Ltd.	Minnesota
Medtronic Asset Management, Inc.	Minnesota
Medtronic Australasia Pty. Ltd.	New South Wales
Medtronic Belgium S.A.	Belgium
Medtronic Bio-Medicus, Inc.	Minnesota
Medtronic HemoTec, Inc.	Colorado
Hemadyne Corporation	Minnesota
Medtronic B.V.	The Netherlands
Bakken Research Center, B.V.	The Netherlands
Medtronic China, Ltd.	Minnesota
Medtronic de Venezuela S.A.	Venezuela
Telecardiocontrol, C.A.	Venezuela
Medtronic do Brasil Ltda.	Brazil
Medtronic Dominicana C. por A.	Dominican Republic
Medtronic Europe, NV	Belgium
Medtronic Export, Inc.	Delaware
Medtronic FSC B.V.	The Netherlands
Medtronic France S.A.	France
Medtronic G.B., Inc.	Minnesota
Medtronic G.m.b.H.	Federal Republic of Germany
Cardiotron Medizintechnik G.m.b.H.	Federal Republic of Germany
Medical Data Systems International Ltd.	Ireland
Medtronic Ges. m.b.H.	Austria
Medtronic Heart Valves, Inc.	Minnesota
Medtronic Iberica, S.A.	Spain
Medtronic International, Ltd.	Delaware
Medtronic Interventional Vascular, Inc.	Massachusetts
Medtronic Interventional Vascular, Inc.	Delaware
Medtronic Italia S.p.A.	Italy
Medtronic Japan Co., Ltd.	Japan
Medtronic Korea Co., Ltd.	Korea
Medtronic Latin America, Inc.	Minnesota
Medtronic Limited	United Kingdom
QRS Limited	United Kingdom
Medtronic Milaca, Inc.	Minnesota
Medtronic of Canada, Ltd.	Canada
Medtronic Overseas, Inc.	Delaware
Medtronic Puerto Rico, Inc.	Minnesota
Medtronic S.A.I.C.	Argentina
Medtronic S. de R.L. de C.V.	Mexico
Medtronic (Schweiz) AG	Switzerland
Medtronic (S) Pte Ltd	Singapore
Medtronic World Trade Corporation	Minnesota
OSMED, Inc.	Michigan
Vitatron Japan Co., Ltd.	Japan
Vitatron N.V.	The Netherlands

Vitafin, N.V.	Curacao
Vitatron Beheersmaatschappij, B.V.	The Netherlands
Vitatron Belgium N.V.	Belgium
Vitatron G.m.b.H.	Federal Republic of Germany
Vitatron Medical B.V.	The Netherlands
Vitatron Medical Espana S. A.	Spain
Vitatron Nederland B. V.	The Netherlands
Vitatron S.A.R.L.	France
Vitatron Scientific B. V.	The Netherlands
Vitatron U.K. Limited	England
Vitatron Incorporated	Delaware

EXHIBIT NUMBER 24

POWERS OF ATTORNEY

EXHIBIT 24

POWERS OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned directors of Medtronic, Inc., a Minnesota corporation, hereby constitute and appoint each of William W. George and Ronald E. Lund, acting individually or jointly, their true and lawful attorney-in-fact and agent, with full power to act for them and in their name, place and stead, in any and all capacities, to do any and all acts and things and execute any and all instruments which either said attorney and agent may deem necessary or desirable to enable Medtronic, Inc. to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing with said Commission of its annual report on Form 10-K for the fiscal year ended April 30, 1994, including specifically, but without limiting the generality of the foregoing, power and authority to sign the names of the undersigned directors to the Form 10-K and to any instruments and documents filed as part of or in connection with said Form 10-K or amendments thereto; and the undersigned hereby ratify and confirm all that each said attorney and agent shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have set their hands this 23rd day of June, 1994.

/S/EARL E. BAKKEN
Earl E. Bakken

/S/F. CALEB BLODGETT
F. Caleb Blodgett

/S/WILLIAM W. GEORGE
William W. George

/S/ANTONIO M. GOTTO, JR., M.D.
Antonio M. Gotto, Jr., M.D.

/S/BERNADINE P. HEALY, M.D.
Bernadine P. Healy, M.D.

/S/VERNON H. HEATH
Vernon H. Heath

/S/THOMAS E. HOLLORAN
Thomas E. Holloran

/S/EDITH W. MARTIN, PH.D.
Edith W. Martin, Ph.D.

/S/GLEN D. NELSON, M.D.
Glen D. Nelson, M.D.

/S/RICHARD L. SCHALL
Richard L. Schall

/S/JACK W. SCHULER
Jack W. Schuler

/S/GERALD W. SIMONSON
Gerald W. Simonson

/S/GORDON M. SPRENGER
Gordon M. Sprenger

/S/RICHARD A. SWALIN, PH.D.
Richard A. Swalin, Ph.D.

/S/WINSTON R. WALLIN
Winston R. Wallin